

The NATIONAL UNDERWRITER

Life Insurance Edition

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JUL 22 1938



INS. LAB.

• • To have and to hold • •

When you have a life insurance policy you hold the certainty that your loved ones will be protected. You have membership in an institution which has survived depressions, wars and plagues. You have the security that comes from a multitude of people combining their resources. In insurance on a permanent plan, you have a value which increases the longer you hold it.

Thos. T. Parkinsin
PRESIDENT



THE EQUITABLE

FAIR — JUST

LIFE ASSURANCE

SECURITY — PEACE OF MIND

SOCIETY

MUTUAL — COOPERATIVE

OF THE U.S.

NATION-WIDE SERVICE

LIFE INSURANCE QUESTION BOX

JUL 22 1938

Q. What chance has your child of becoming fatherless before reaching 17?

A. A child at birth has about one chance in ten, on the average, of becoming fatherless before the age of seventeen. Life insurance can guarantee funds for your child's education, regardless of chances.

• • •

Q. Which country leads in ownership of life insurance?

A. The United States. With only 7% of the world's population, people here have 70% of the life insurance.

• • •

Q. Why does the United States lead?

A. Largely because of the work here of life insurance agents. These thousands of men and women, by their patient activity, have helped make life more secure.

• • •

Q. How much life insurance should you have?

A. It depends on many personal factors, such as the number and ages of your children, your own age, the amount of your savings, etc. Ask an Equitable agent to work out the answer.

The Equitable welcomes questions concerning life insurance. Your note to "The Equitable Counselor" at 393 Seventh Ave., New York, N. Y., will receive prompt attention by mail.

FRIDAY, JULY 22, 1938

HERE IT IS!

The Only "All-Inclusive" Reference Book

The NEW 1938 UNIQUE MANUAL-DIGEST

*Fully Covers "All-Three" Phases
of Life Insurance Statistics!*

(1) All about the COMPANY—NATIONAL UNDERWRITER REPORTS (1)

Showing what you want to "know about" every company, these reports give a complete picture of the financial and corporate development of each, together with the most detailed analysis of the latest annual statement available from any source except the "convention report" itself. Some of the especially interesting items are Management Expenses, Acquisition Costs, Distribution of Assets with Percentages, "Statistics by Years," Retroactive Practices, Dividends Paid, etc. Over 70 important figures and ratios are shown—all of which have proven themselves to be most significant in judging the operations of companies.

(2) All about the POLICY—and "Company Practice" Too! (2)

So that you may instantly "get at" any provision of any company's contract without puzzling through a lot of "legal language," the Unique Manual analyzes each company's policy in the same way and spotlights for each, more than 80 important points in brief, but accurate, simple language. Company underwriting practice where it differs from or amplifies the actual contract is carefully covered too, for without "company practice" one may easily get the wrong understanding even though he has carefully read and digested the actual policy.

(3) All about OPTIONS-VALUES-INCOMES-RATES-COSTS, etc. (3)

For programming, selling "incomes" and in giving clients and prospects the kind of service you no doubt wish to provide, nothing even approaches the "Unique Manual" for its extremely broad coverage of such important subjects as Settlement Options and the Guaranteed Incomes payable thereunder; Surrender Values, including Paid-up and Extended Values and Cash Values at Retirement Ages; Retirement Contracts with Net Cost data on them; Juvenile Insurance, Single Premium Contracts, Annuities, "Special" Policies and also the details on "obscure" contracts and other points often overlooked. *All companies including the small ones* are covered, in fact practically every item of consequence concerning every company is included in the Unique Manual, and each is carefully indexed for quick location.

"All - in - One"

Everything You Need on a Case—for Only \$5.00

Order Now

**A Real
"Money-Saver"**

Immediate Delivery

Address Your Order To The Statistical Division, The National Underwriter Co., 420 East Fourth, Cincinnati

The NATIONAL UNDERWRITER

Forty-second Year—No. 29

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 22, 1938

\$3.00 Per Year, 15 Cents a Copy

Wholesale, Retail Trades Increase in Buying Policies

Semi-annual Survey of American Service Bureau Shows Significant Trends

Wholesale and retail trades gained 15 percent over June, 1937, in buying life insurance, the semi-annual life insurance buyers survey of the American Service Bureau indicates. Sharp reduction in the heavy industries was noted. The study was made from 10,000 applications submitted to companies in June aggregating about \$21,000,000 applied for. The average policy applied for was \$2,139, a new high. Machinery and metal manufacturing owners and executives, with \$10,510, showed the highest average policy applied for.

Lee N. Parker, president, noted numerical increases in certain professional groups, especially nurses, hospital employees, attorneys and both public school and college teachers, persons engaged in recreational and amusement enterprises, road and sewer construction, maintenance contractors and workers, government relief and social agency employees, and officers and enlisted personnel of the army and navy services. Applications from relief and social agency workers showed outstanding gain, and factory and mill workers in manufacturing and mechanical industries exhibited the most marked decline.

Helpful to Agents

"Careful study of this occupational survey shows where the average agent of the average company will find the most likely prospects for life insurance this summer," Mr. Parker commented. "It also gives the average amount of insurance applied for and the amount of insurance already owned in each occupational classification."

Owners and executives in heavy industries showed up well in number, and the average policy size was more than \$700 greater than a year ago.

There were, however, more applicants from the so-called non-gainful occupation group, housewives, children and students, than any other, Mr. Parker commented. Children under 7 years and students of college age showed increase in number over the survey of one year ago.

There were 15 occupational groups, he said, which applied for average policies of \$5,000 and over; 23 groups for \$4,000 or more; 36 groups for \$3,000 and better, and 66 groups with 2,945 applications for an average of \$2,000 or greater. Of the 12 major industrial groupings, nine show increase in number of applications over June, 1937. The increase in size of policy for the entire 10,000 cases reviewed seems to indicate, Mr. Parker said, a definitely encouraging outlook.

There were 1,059 applying for policies
(CONTINUED ON PAGE 22)

Study Possible Uses of Promotional Movie Film

NEW YORK—Use of motion pictures both for agent training and for showing to the public is arousing more interest among life companies than ever before. While it is yet too early to say how much of this interest will crystallize into action, it is a fact that the possibilities of using talking motion pictures are being seriously discussed by agency officials who not so long ago would have regarded the movie idea merely as a film promoter's brain-wave and not a very powerful one at that.

The biggest factor that has held companies back from utilizing sound films in sales promotion work has of course been the cost. The seriousness of the cost factor is intensified by the large element of risk involved. Until comparatively recently not much has been known about producing pictures that would put across a commercial message in so effective a way as to leave no doubt of the value of the investment, usually running into a good many thousands of dollars.

Audiences Super-Critical

Another stumbling block is the high degree of excellence which audiences have become accustomed to in the shows they see and hear at even the smallest neighborhood theaters. Sales promotion films, especially those designed for showing to the public, must compete with regular entertainment movies not only in photographic and sound reproduction quality but in attention-holding properties as well. At the same time, obviously not even a very large advertiser could afford to go out and hire Clark Gable and Myrna Loy to put his product across.

In spite of the cost obstacles, however, there has recently been much progress in producing promotional films. It is the sound reproduction that is the heavy expense item on the technical side. Most of what are known as commercial films are made on the most widely used size of amateur film, 16 millimeter. Cameras and projectors for this size film are comparatively inexpensive for silent pictures. However, the addition of sound, while not necessitating a markedly different or more expensive type of film, adds tremendously to the cost of the equipment and to the complications and expense of staging a production.

Much effort has gone into simplifying the sound feature of commercial productions and bringing it down to a commercially practicable cost. Along with this, intensive thought has been devoted to the improvement of commercial productions. Even big Hollywood producers are recognizing the possibilities in these films.

Probably the most ambitious film of the promotional type is the one recently released by Collier's magazine entitled "Yankee Doodle Goes to Town." This was produced by Metro-Goldwyn-Mayer, although its name does not appear in the film because it was more or less an experimental project with the studio. This month Collier's is entertaining some 2,500 advertising agency men and advertisers in 16 principal cities to show them its film. The guests' souvenir booklet describes the movies as a sales tool "designed to carry the story of national magazines to business men who are not as well acquainted with them as you are." The film is available for use at conventions and meetings with salesmen, distributors, and dealers. The film gets in some good plugs for Collier's but also does a broad institutional job.

Good Enough to Be Safe?

The principal question which life company men who are interested in motion pictures are asking themselves is whether the improvement in commercial films has been sufficient so that life companies can safely take them up. It takes plenty of money and time to get together even a short picture. The Collier's film was about a year in the making, despite having available the facilities of Metro-Goldwyn-Mayer, and the film runs only 25 minutes. There has been so little experience in producing really high grade promotional films that it is difficult for anyone to state with any certainty whether a film which has taken a year or so to make and eaten up thousands of dollars will be the success that is hopefully awaited or a 14-karat flopper.

One angle is surprising to anyone who has not had contact with commercial films and that is the ease with which it is possible to get bookings for the good ones. The usual arrangement is that any responsible exhibitor can borrow a film free of any charge except for transportation. It is even possible to get pictures run as short subjects in movie houses. The Metropolitan Life has done an outstanding job in getting its health films before the public and they have undoubtedly been beneficial in keeping the company's name before the public. Another pioneer in the use of motion pictures is the State Farm Life of Bloomington, Ill. The Aetna Life group has recently cooperated in the production of a film designed not particularly for life insurance selling but for the instruction of salesmen in all lines. This was produced by the Tested Selling Institute of which Elmer Wheeler is president and guiding genius.

Life insurance men are certain of one thing in connection with any movie to be shown to the general public either through regular theaters or showings before Rotary clubs and other civic groups. That is that the job must be done with great finesse. Any half-baked handling of the life insurance theme could readily produce a bad public reaction. However, there are quite a few life men who are coming around to the idea that a sales promotion film could be handled in an effective way that would avoid the obvious hazards.

Aviation Experience Improves

Aviation accidental death on scheduled planes have decreased 59 percent since 1930, according to "Accident Facts" issued by the National Safety Council. In scheduled air transportation, the death rate for passengers in 1937 was 9.3 per 100,000,000 passenger miles flown, less than half the 1930 rate of 23.1 percent.

General Shift in Options Probable by Jan. 1, 1939

Would Cut Interest Rate Guarantee; Policy Loan Reduction Due Same Date

NEW YORK—Since practically all companies operating in New York state will have to bring out new policy forms to conform to the lower policy loan interest limit which becomes effective Jan. 1, 1939, it is believed likely that there will be a widespread revision of settlement option provisions. There are several good reasons why the option changes should come at the same time as the policy loan interest rate reduction.

The major reason is that with the interest return on loans made on policies issued after Jan. 1 only 5/6 of the present basis, it becomes even more imperative for companies not to guarantee rates of interest which they may have difficulty earning in future years. A minor reason is the saving in expense due to making the policy loan and the option changes at one time.

Changes Were Not in Policies

While companies have been tightening up on settlement options for the last year or so, the changes which have been promulgated have, with the exception of one company, not been in the direction of changing the contract provisions of the optional modes of settlement but only in cutting down the privileges not guaranteed under the options. These changes were made because it was felt that companies were letting themselves in for a needless and costly amount of future complications by writing special supplementary agreements which obligated the companies to find and pay out money to the assured's heirs far into the dim future.

As more and more policyholders, made income-conscious by agents, sought to give their insurance proceeds the protection of life company guarantees and money management, the need of putting the optional modes of settlement on a fully conservative basis increased.

Funds Now a Billion

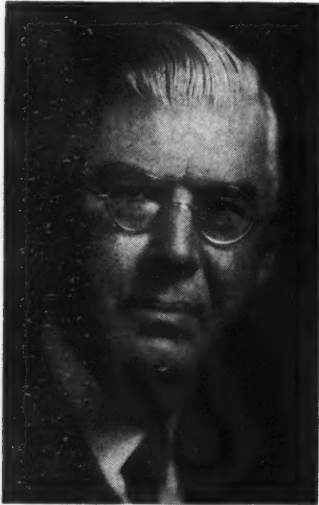
The amount of money now held under optional modes of settlement is about a billion dollars and this does not include life income option funds which have passed the "certain" period. Even the huge and growing fund held under supplementary contracts gives no idea of the potential level which may be reached when the full effect of a vastly increased amount of programming that is being done shows up as policies become death claims.

The only company operating in New York which has actually changed the contractual provisions of its settlement options is the New York Life, which brought out new policy forms at the be-

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Equitable of Iowa Parley Is Held at Hot Springs, Va.

HOT SPRINGS, VA.—The production clubs convention of Equitable Life of Iowa, attended by nearly 400 agents and agency heads, was held here. Joint sessions of the "Agency" and "President's" clubs, which are the junior and senior clubs for agents, and of the "Organization" club, which is the club for



HENRY S. NOLLEN

agency heads, were conducted Tuesday and Wednesday. Members of the "President's and Organization" clubs remained in session the two succeeding days.

The joint sessions of the three clubs emphasized the convention theme, "Practical Methods of Selling and Service," and were featured by addresses by Henry S. Nollen, president; F. W. Hubbell, vice-president and treasurer; P. C. Irwin, associate actuary, and E. E. Cooper, agency assistant; Paul Speicher, Insurance Research & Review; J. B. Moorman, general agent Cincinnati; C. P. Spahn, Griffin, Ingram & Pfaff agency, Chicago, and V. D. Whitnah, Los Angeles.

Club Officers Installed

S. A. Swisher, Jr., agency vice-president, was in charge of the opening business session, and following the formal greetings by President Nollen, P. K. Adams, assistant superintendent of agencies, installed these officers of the clubs who had earned their ranks by production and conservation efforts during the qualifying year.

"President's" Club—G. W. Randall, Los Angeles, president; C. P. Spahn, Chicago, vice-president; R. H. Sheldon, Los Angeles, Secretary.

"Agency" club—H. J. Miller, Philadelphia, president; J. G. Belknap, Columbus, O., vice-president; L. B. Farrar, Portland, Me., secretary.

"Organization" club—C. M. Vaughan, general agent St. Louis, president; H. A. Hedges, general agent Kansas City, vice-president.

Additional Presentations

Mr. Vaughan then introduced four new agency heads attending their first convention in that capacity: E. E. Bearg, Minneapolis; G. V. Fort, Des Moines; H. B. Underwood, Buffalo and W. D. Phillips, Louisville. He said Messrs. Bearg, Fort and Underwood had attained their present positions by "coming up from the ranks," and that their entire life insurance careers had been with Equitable of Iowa.

Mr. Swisher presented checks to 145 agents and agency heads who had excelled in conservation and awards of silver were presented by A. Scott Anderson, manager service section, to 24

members of the "Equiowa One-a-Week" club, who had attained one-a-week records of from 200 to 700 weeks during the year ending July 1.

The session closed with an address, "Fulfilling Your Obligation," by E. E. Cooper, agency assistant.

The golf tournament for men, and a tea for the ladies, featured the afternoon activities Tuesday.

Members of the "Order of WOIF," an honor group composed of agents, who, as of June 30, had completed production requirements for membership in the 1939 "Agency" club, were guests of company officers at a reception preceding the banquet Tuesday night. At the banquet Mr. Swisher presented three major awards. A. R. Crawford, W. F. Crawford agency, Chicago, was presented as the 1938 member of the "Hall of Honor," the highest honor attainable by a soliciting agent of the company. P. B. Rice, general agent, Harrisburg, was awarded the master agency builder plaque for 1938. H. F. Groseclose, general agent, Roanoke, Va., received the Kirk memorial cup as winner of the 1938 Kirk essay contest with a paper "Practical Life Insurance Programming for Moderate Incomes."

Thoughtful Address by Nollen

President Nollen delivered a thoughtful address upon the place agents should fill in the modern world.

Eighteen agents, all C.L.U.'s, gathered Wednesday for the annual Equitable of Iowa C.L.U. breakfast, at which Mr. Cooper presided. The general session, called to order by R. E. Fuller, superin-



S. A. SWISHER, JR.

tendent of agencies, was opened by Mr. Hubbell's address concerning the company's investment policy. J. B. Moorman, general agent Cincinnati, spoke on "Elementary Questions of Taxation." He was followed by P. C. Irwin, associate actuary, who discussed "Practical Uses of Settlement Options"; C. P. Spahn, Chicago, and V. D. Whitnah, Los Angeles, each speaking on "Practical Methods of Securing Business Today."

Mr. Speicher brought the meeting to a close with an address "The Place of Life Insurance Under Today's Economic Conditions."

Practical Agency Building

"Practical Agency Building" was the theme of the "Organization" club meeting Thursday. Mr. Cooper conducted a round table discussion of recruiting, followed by an address on "Practical Experiences in Recruiting" by H. A. Hedges. R. L. Hoghe, agency manager Los Angeles, spoke on "How I Get New

Men Into Production"; he was followed by Mr. Rice who discussed "Human Relations in Agency Building."

President Nollen adjourned the meeting with informal remarks.

The president's banquet Thursday night was the only other formal session of the day.

Members of the "President's" club met July 15 for a program presided over by P. K. Adams which consisted entirely of addresses by these agents on taxes, business insurance, and programming: J. H. Hilmes, Des Moines; C. J. Amstutz, Cleveland; G. L. Maltby, Kansas City; R. O. Claypoole, Philadelphia; R. H. Sheldon, Los Angeles; and H. L. Harvey, Detroit.

"They Tell Me" Ad Series Is Effective

Interest is taken in the unusual series of advertising being done by C. V. Shepherd of Cedar Rapids, Ia., general agent for National Life of Vermont, in the Cedar Rapids "Gazette."

Each advertisement is captioned "They Tell Me." It features the picture of some prominent Cedar Rapids citizen and the text of the advertisement consists of questions about life insurance and business matters, the answers being those of the man who is featured.

For instance, the questions to which A. L. Smulekoff, Smulekoff's Furniture, supplied the answers were: When did you buy your first life insurance and why? You have always purchased ordinary life of us rather than other policies. "Why did you follow this plan? Your early training taught you that real estate investments were highly desirable. Have you changed your views and if so, to what extent? Have you found careful selection of life insurance companies an important item in the purchase of life insurance? Contractors and building men tell me that they have a much larger number of new homes contracted for this spring. What effect will this movement have on business? Are people really interested in tax reduction?

George McCollister of the Cedar Rapids "Gazette" advertising department conceived this series. This type of advertising has been conducted for about 3½ years and has attracted attention throughout the country. In each interview about three or four questions are asked pertaining to life insurance. The other queries relate to topics of local or national interest and to the business in which the individual is engaged. This creates reader interest. The copy is frequently timely. For instance, it was tied into Mother's Day, Child Health Week, Life Insurance Week, Easter, Community Chest drive, opening of school. Mr. Shepherd reports that his agents show an ever increasing ratio in the number of interviews to calls and sales to interviews and he attributes this in no small extent to the humanized advertising that he uses.

This advertising plan won third prize for Mr. McCollister at the Newspaper Advertising Executives Association national convention in Detroit.

Constitutional Convention in N. Y. Decides Not to Act on Any Insurance Measures

The committee on insurance has submitted its final report to the New York constitutional convention. The committee expresses the belief that no amendments to the constitution are necessary so far as insurance is concerned and that any change in the law in reference to insurance may properly become the subject of legislative consideration and action. Chairman R. F. Piper reported that he has conferred with Superintendent Pink and that Mr. Pink had made no suggestions nor recommendations. The report of the insurance committee was received by the convention and adopted.

Six Month Sales Are Down 22.6%; June Is Off 27.5%

NEW YORK—New life insurance for the first six months of this year was 22.6 percent less than for the corresponding period of 1937, according to the Life Insurance Presidents Association. June sales were off 27.5 percent.

For the first half of the year, the total new business of 40 companies having 82 percent of the total insurance in force was \$3,684,769,000 against \$4,761,267,000, a decrease of 22.6 percent. New ordinary amounted to \$2,345,497,000 against \$3,005,207,000, a decrease of 22 percent. Industrial was \$1,107,183,000 compared to \$1,376,158,000, a 19.5 percent decrease. Group was \$232,089,000 against \$379,902,000, a 38.9 percent decrease.

For June, the total new business of the 40 companies was \$597,773,000 against \$824,470,000, a 27.5 percent decrease. New ordinary insurance amounted to \$382,385,000 against \$512,496,000 a 25.4 percent decrease. Industrial was \$170,312,000 compared to \$224,113,000 a 24 percent decrease. Group insurance was \$45,076,000 against \$87,861,000, a 48.7 percent decrease.

The new paid-for business written during each of the first six months of 1937, and 1938, and percentage increases or decreases, are shown in the following table:

		Ordinary		1938 Over 1937 Pct.
		1937	1938	
Jan.	\$ 432,934,000	\$ 377,789,000		—12.7
Feb.	459,001,000	373,644,000		—18.6
March	581,399,000	441,067,000		—24.1
April	530,755,000	386,529,000		—27.2
May	488,622,000	384,083,000		—21.1
June	512,496,000	382,385,000		—25.4
		\$3,005,207,000	\$2,345,497,000	—22.0
		Industrial		
Jan.	\$ 195,405,000	\$ 179,975,000		—7.9
Feb.	212,231,000	174,092,000		—18.0
March	258,087,000	198,025,000		—23.3
April	246,589,000	193,131,000		—21.7
May	239,733,000	191,648,000		—20.1
June	224,113,000	170,312,000		—24.0
		\$1,376,158,000	\$1,107,183,000	—19.5
		Group		
Jan.	\$ 42,051,000	\$ 31,401,000		—25.3
Feb.	40,246,000	41,671,000		3.5
March	77,956,000	32,050,000		—57.6
April	57,022,000	37,815,000		—33.7
May	74,766,000	43,076,000		—42.4
June	87,861,000	45,076,000		—48.7
		\$ 379,902,000	\$ 232,089,000	—38.9
		Total		
Jan.	\$ 670,390,000	\$ 589,165,000		—12.1
Feb.	711,478,000	589,407,000		—17.2
March	917,442,000	672,142,000		—26.7
April	834,366,000	617,475,000		—26.0
May	803,121,000	618,807,000		—22.9
June	824,470,000	597,773,000		—27.5
		\$4,761,267,000	\$3,684,769,000	—22.6

New Seven League Club

The Columbian National Life has inaugurated a new production organization known as the Seven League Club. Qualification for this club which started July 18, will run over a seven weeks period. Agents must turn in one application a week in order to become a member. Top producer during the seven weeks period automatically becomes president, second highest, vice-president and third, secretary. A certificate of membership signed by officers of the Columbian National will be issued to those qualifying. Special consideration will be given the organization at the company's annual convention next year which will be held in Boston, and later in New York at the time of the world's fair there.

Downey to Oklahoma City

M. L. Downey, formerly of Beaumont, Tex., has been named manager of the National Life & Accident in Oklahoma City, succeeding D. E. Van Norman.

C.L.U.-American College New Setup Is Now in Effect

Fund of \$30,000 Promotes Work of Study Groups, Aids Candidates

Details have now been announced of the new conditions surrounding the C.L.U.-American College of Life Underwriters operations. The announcement is made by Cecil J. North of the Metropolitan, as chairman of the committee of the Life Agency Officers Association for the American College.

It was Mr. North's committee that induced the companies to subscribe to an annual fund of \$30,000 to assist those who are taking C.L.U. work. It will be known as the cooperative fund for underwriter training. The program goes into effect this fall in connection with the 1938-39 work of the C.L.U. study groups.

The fees for C.L.U. examinations are now being increased from \$10 to \$20. The \$10 increase will be paid from the cooperative fund.

Home Office Supplies Certificate

The man who enrolls in a C.L.U. study group, or intends to enroll, or is taking C.L.U. work by himself may obtain from his home office a credit certificate that will be accepted by the American College in the amount of \$10 towards the \$20 examination fee.

Certain study material will in the future be provided for the study groups, through the fund, and will, by reason of the fund, be available to certificate holders on better terms.

Mr. North states that the fund is making possible a steady improvement in the study material being supplied to the groups. A complete new set of study material will be provided for the study groups this fall. Part of this material is being paid for from the cooperative fund, so the certificate holders will be able to obtain it at cost, or less. Agents should have a certificate for each examination they intend to take. Additional certificates for such additional examinations will be provided on request to the home office.

Upon receiving his certificate, the holder forwards it to the American College, which in turn holds the document to his credit against such time as he may be taking the examination.

Enrollment Up 40 Percent

Enrollment in the study groups increased last year by 40 percent and indications are that there will be a still greater increase this year.

The American College is prepared to assist in the setting up of study groups in towns that are not now organized. It may be possible for the college to send a man to the town as well as giving written instructions. John P. Williams and B. E. Wyatt have recently been appointed to the college staff and are spending much of their time in the field cooperating with the study groups, assisting in the organization of new units and counseling with established ones.

The credit certificate reads: "Credit certificate (valid July 1, 1938, to June 30, 1939) Cooperative Fund for underwriting training. This certificate entitles—representing the—to the benefits accruing to subscribers to the cooperative fund for underwriter training and will be accepted by the American College of Life Underwriters in payment of one-half of the fee for any one examination that may be taken by the above named candidate before July 1, 1939. One of these certificates must be

"National Institute" Proves to Be Fee-Counselor Outfit

New N. Y. Concern Uses Critical Book as Bait; Charges Up to \$7,200

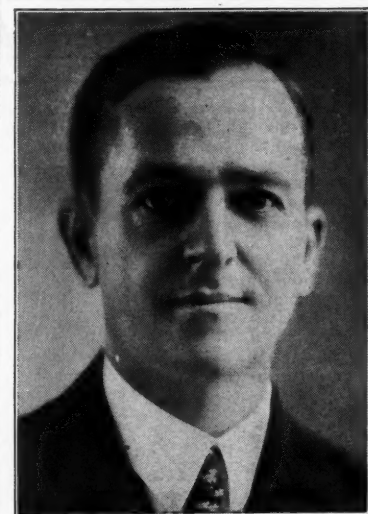
NEW YORK—Under the resounding designation "National Institute of Research & Economics, Inc.," three individuals have set up shop in New York City to sell life insurance advice to policyholders. Similar in general pattern to the numerous fee-counselor outfits that have been springing up in the wake of Gilbert & Sullivan and Morris Siegel, the new organization is distinctive chiefly for the extensiveness of its proposed advertising campaign which begins this week, the size of the fees it charges (\$7,200 being the largest fee charged so far, according to one of the organizers), the high average case, claimed to be approximately \$85,000, and the presence of an unnamed "angel" who is supplying the financial backing to supplement the capital of the three organizers.

Ex-Gilbert & Sullivan Man

George W. Smith, who formerly had charge of operations in New York City for Gilbert & Sullivan, is president of the National Institute. Harry D. Turner, vice-president, has charge of sales, and Allen Kaye-Martin, secretary and treasurer, supervises the advertising. Neither Mr. Turner nor Mr. Kaye-Martin have been connected with life insurance. Mr. Turner's experience being in the sales management field and Mr. Kaye-Martin's in the publicity and pro-

(CONTINUED ON PAGE 11)

presented for each of the five prescribed C.L.U. examinations. If more than one examination is taken during the year, an additional certificate will be required



JESS G. READ, Oklahoma

Commissioner Jess G. Read of Oklahoma was again winner in the Democratic primaries in his state for the office he has held with distinction for many years. He now has become a settled institution. Mr. Read is one of the oldest commissioners in point of service in the National Association of Insurance Commissioners and is its secretary-treasurer.

Final official figures give Mr. Read a lead of 74,400 votes over his nearest competitor, S. W. Philpott, former secretary of the Oklahoma insurance board.

"This certificate is valid only during the period indicated and is not transferable."

On Again

SEC First to Study Preferred Placing of Securities

Will Investigate System of Direct Issuance of Bonds to Insurers

WASHINGTON—Investment activities of the insurance business will be the first subject to be taken up by the joint legislative-executive monopoly investigating committee, Chairman W. O. Douglas of the Securities & Exchange Commission has revealed.

"Entering wedge" of the commission's part of the inquiry will be the purchase of securities by insurance companies by negotiation with the issuing concerns and the influence wielded by the former over the latter as a result.

That these operations would come before the monopoly committee for study has long been known. Administration officials have been interested for several years in the investment policies of the large companies and their effect in furthering monopolistic trends. It had not, however, been previously disclosed that this would be the first subject to receive attention.

Policies of Issuing Firms

Mr. Douglas indicated that he felt that the amount of security placements made with insurance companies instead of being floated through normal investment channels is a pertinent part of the investigation because of the effect that such operations might have upon the policies of the issuing concerns.

"We will go into large preferred placement of security issues directly with the insurance companies," he explained. "I don't know the exact figures, but there is a very large and growing volume of placements of this character."

"They are not public offerings, so they do not pass through the normal investment channels or through the registration division of the commission."

Enjoys Preferred Status

"A corporation will go into an insurance company and say 'We have an issue of so much, will you take it?' and the result is that the insurance company is given a preferred status over other investors. This will be the entering wedge of our studies."

In taking up this question, it was intimated, the SEC has in view the possible avoidance of the requirements of the securities and exchange act by corporations which desire to issue securities without subjecting themselves to the scrutiny of the commission. By issuing preferred securities in which insurance companies may invest and selling them to such companies by negotiation, corporations are relieved of the necessity of securing SEC approval of the issues.

It is expected that before the inquiry is completed, the whole investment policy of the insurance companies—particularly those in the life branch—will be exhaustively probed.

Equitable's Agency Leaders

J. K. Taylor, Equitable Society, Louisville, led all agencies in the southern department in paid business in June and had the largest volume in its history. Written business was \$916,942 as against \$379,111 in June, 1937. Paid volume was \$632,760 as compared to \$230,199.

An all-time daily record in written and paid for was achieved by the Kansas City and Pittsburgh agencies. Northern California also exceeded any previous month by \$1,000,000.

ON A NASTY DAY

This story by George W. Gaidzik was recently told in the *Chicago Journal of Commerce*. We summarize:

A cold, rainy day. Nearing his office, the General Agent wondered how he could stimulate his associates to get out and face the weather. In the elevator a Mr. Jones told him he wanted another \$10,000 of insurance. And there, like a flash, was the needed stimulant.

Calling the Agency members together the General Agent said: "A nasty day to be outdoors. Right in this building is a man who is ready, this minute, to sign for an additional \$10,000. Divide the building any way you like, and find that man!"

They divided it. At five in the afternoon five applications for \$10,000 each were laid on the General Agent's desk. But—not one of them was on the life of Mr. Jones!

"Divide the building!"—an experiment in production that might be successfully duplicated in other sizable Agencies.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Questionnaire Is Sent to Industrial Companies in N. Y.

Queries Indicate Effort to Make Sweeping Changes in Practices

NEW YORK—The four industrial-writing life companies operating in New York state this week received the extensive questionnaire prepared by the joint legislative committee for recodification of insurance law, which in a couple of months will start the public inquiry into industrial insurance authorized at the 1938 legislative session.

In addition to questions as to amount in force under various plans and the like, it contains such questions as: "Do your records at the home office show the income of the industrial policyholder in relation to the total premium being paid?"

"Do the records of your home office show the distribution of the industrial policyholders among the various insured in a given family?"

"Are any measures taken by you to avoid excessive premiums in relation to finances?"

Questions Show Broad Scope

Other questions indicating the broad scope the inquiry may be expected to take are the following:

"Would it not be of advantage to the industrial policyholders to employ separate agents for debit and separate agents for new business?"

"Construct termination rates for agents, based on the experience of the last five years, by the same methods as were used in securing the lapse rates and death rates requested for policies. (The termination rates should be for deaths, promotions, and finals.)"

"Of total new insurance written between 1928-1937 inclusive, what percentage was paid for with cash obtained by surrendering other policies in family?"

Query on Special Policies

"Do you issue special policies in denominations of \$5,000 on which the net cost is lower than on other policies? If so, explain how you arrive at the net cost of such a policy? Are special policies considered a 'loss leader'?"

"Give your reasons for and against a limitation by law of the expenses for industrial insurance."

"Would not an equitable distribution of death benefits be obtained if the law provided for the payment of benefits to the public administrator or surrogate for distribution by him?"

"Can the commission or special salary field be revised so as not to encourage the sale of high premium policies? Explain."

"Should commissions or special salaries be graduated to pay most for policies on heads of families, next highest on responsible adults, and least on non-producers? Explain."

Position on Policy Loans

"Should policy loans be required after premiums have been paid for two years? Reasons. If not for two years, then any other period? Explain."

"Should the industrial policyholder be given a contract right to transfer to ordinary insurance? Reasons."

"What is the cause of the overselling of industrial insurance and what in your opinion is the cure?"

"What is the company's attitude towards independent insurance advisers or adjusters?"

"Is any attempt made to avoid im-

(CONTINUED ON LAST PAGE)

Northwestern Mutual Leaders in Production Announced

MILWAUKEE—One of the features of the opening session of the annual meeting of the Northwestern Mutual Association of Agents at the home office in Milwaukee on July 25, will be the introduction of company and association leaders in a dramatized court of honor presentation under the direction of Grant L. Hill, director of agencies, with assistant directors presenting winners from their respective territories.



EMMETT COWELL

Ernest Earley, Brooklyn, N. Y., led the field force of the company during the past agents' year in paid-for business with a total of \$1,288,430 to win the special "AA" honor for reporting the largest volume of new business personally written in the company. This volume was on 100½ lives, carrying with it membership in the Marathon Club. Mr. Earley has been in field service of the Northwestern Mutual slightly more than 15 years, during which time he produced \$14,893,680 or nearly one million a year average. He has won bronze, silver and gold buttons, made the Marathon Club eight times, won the Class A award in 1931, served as member and chairman of the association's standing committee 1925-1927, and as vice-president and president in 1932-1934. The runner-up for special "AA" honor this year is John R. Mage, Los Angeles, with \$1,001,047, followed by Herman Duval, New York, with \$968,248. Until 1936 the volume production prize for 30 consecutive years was won by Dr. C. E. Albright of Milwaukee, who that year announced his retirement from further competition for the honor.

Writes 228 Lives

For the seventh time in 11 years, Emmett Cowell of Red Bud, Ill., qualified as president of the Marathon Club by winning the special "XX" honor with a total of 228 lives for the year. An agent since 1926 and continuous member of the club for 11 years, Mr. Cowell has paid for \$3,608,500 on 2,293 lives. He was president from 1929-30 to 1931-32, and has been president continuously since 1934-35 for four consecutive times. Membership in the club requires 100 or more lives during the agents' year, and the largest number of lives carried with it the presidency. There have been 309 agents who have qualified as members one or more times in 23 years. Since the club's inception, Herman Duval, New York City is the only agent who has retained membership every year. For the past agents' year the runner-up was Lewis T. Stern of Minneapolis with 224 lives. With 27 agents qualifying, the membership was second only to 28 last year for the largest since 1930.

Six Year Records

Five agents complete 72 months or six years of unbroken membership in the 4-L Club, requiring four lives a month. They are Fred and Grace Niederhaus, Vincennes, Ind.; A. O. Sunquist, Sioux City, Ia.; D. E. Harris, Des Moines, and Lyle O'Connor, Oshkosh, Wis. Consecutive membership of 12 months or more was held by 51 agents of the company.

Class honors are awarded each year to the agents making the largest percentage of gain over a three-year average, based on volume in the several

classes. There was no winner declared in Class A, three year average of \$750,000 or more. Four agents, Dr. C. E. Albright, Herman Duval, T. K. Carpenter and H. L. Peebles, were in the class but were either ineligible for the award because of having won equal or higher honors previously, or not making an increase.

J. O. Todd is Winner

In Class B, three-year average between \$500,000 and \$750,000, the winner is J. O. Todd, Minneapolis, with a total of \$871,104 representing an increase of 67.5 percent over his three-year average of \$519,944.

As winner in Class C, largest percentage of increase over three-year average between \$300,000 and \$500,000, the award goes to M. M. Goldstein, New York City. His total of \$602,904 represents an increase of 75.6 percent over his three-year average of \$342,817.

R. R. Brown, Winston-Salem, N. C., qualified as winner in Class D with \$555,845, an increase of 127.8 percent over his three-year average of \$243,959 in the \$200,000 to \$300,000 class.

Leete Sets Record

F. D. Leete, Jr., Indianapolis, who won his bronze, silver and gold buttons in 1935-6-7, immediately won Class E award for the largest percentage increase over his three-year average, between \$150,000 and \$200,000. His total of \$495,995 on 100½ lives, represents an increase of 164 percent over his three-year average of \$187,861, and qualifies for Marathon Club membership.

It is significant that all special and class winners this year are members of the Northwestern Mutual's Half-Million-and-over Club.

Junior Honors Awarded

Junior honors are awarded to newer agents for making the highest percentage of increase over production in their preceding class. Leroy R. Schultz, Worcester, Pa., won the certificate awarded to the gold button winner with the highest increase over his silver button production. His percentage of increase was 16.65, and his production \$335,011. His Group N volume for the past three agents' years totals \$871,508, which places him in Class D of the honor system. Mr. Schultz has been a member of the Marathon Club and the 4-L Club for the past 24 months. Honorable mention in the gold section goes to J. V. Lawry, San Francisco, whose \$359,058 of new business was the largest in his section. His Group N production for three years totals \$896,016, placing him also in Class D of the honor system.

F. P. Fontanazza, Milwaukee, is the winner of the junior certificate of honor awarded to the silver button agent with the highest percentage increase over his bronze button production. His total paid-for was \$347,230, representing an increase of 68.5 percent. He also qualified for honorable mention in his class for reporting the largest volume of new business.

Gets District Cup

Irving Miller, Attleboro, Mass., reported new business personally written totaling \$406,776 on 31 lives during the past agents' year, which represents the largest volume of new business in the bronze button section and earns him honorable mention.

Bruce W. Gilmore, district agent at De Kalb, Ill., in the B. J. Stumm general agency, again qualified for the district agents' cup, which is awarded under eligibility rules as well as points covering five factors. Mr. Gilmore's district scored 8.9 out of a possible 10 points. The ratio of his personal production gave his district 21st rank. On per

Siegel's Letter to the Companies on Disability

Uses Article in The National Underwriter by a Strained Application

As a very good example of misleading information promulgated and an attempt to twist the meaning of an article into something else is evidenced by the letters that Morris H. Siegel, director of the Policyholders Advisory Council of New York City, is sending to life companies.

The letter that Mr. Siegel sends out calls attention to an article in the June 3 issue of THE NATIONAL UNDERWRITER captioned, "Claimants Can't Win in Disability Suits." Therefore, in Mr. Siegel's letter to the companies the impression is left that companies are turning down all claimants or that the claimants are being treated unfairly. The fact of the matter is that the article did not deal with disability suits or disability claims in a general sense, but called attention to the fact that as a result of the federal government's prosecution of organized disability faking, G. M. Noonan, chief of criminal investigation of the United States district attorney's office in New York City, told the Midtown Managers Association that it is now becoming impossible for fakers to gain their end in disability suits. He spoke of the racketeers that have been infesting the New York area and stated that juries in contested disability cases, who have traditionally sided with the claimants, have swung around to an opposite view. Mr. Noonan gave examples of the procedure followed by racketeers in cooperating with crooked attorneys, crooked doctors and crooked patients.

Siegel's Letter to Companies

Mr. Siegel, who has created more or less of a tempest by his activities in New York City, in calling attention to the article says in his letter to companies:

"We note with interest an article in the June 3, 1938, issue of THE NATIONAL UNDERWRITER captioned 'Claimants Can't Win in Disability Suits.' We particularly direct your attention to the first paragraph of the article and, as an organization representing policyholders in general, we are interested in ascertaining what percentage of all disability claims filed with your company are resisted, what percentage result in compromise or settlement, what percentage are litigated, and the results of such litigations, by percentage of verdicts for or against insurers. We are also interested in the percentage of cases which are carried to higher courts by insurers, and the percentage of reversals for or against claimants. The aim of these questions is obvious and we feel that

(CONTINUED ON PAGE 11)

capita, per cent insured to insurable population, and ratio of agent producing \$10,000 to insurable population, his district ranked first. On the ratio of new producing agents added to insurable population, the rank was second. Mr. Gilmore's district won the cup in 1937, and the previous Cormack & Gilmore agency won the cup three times.

For the third consecutive year the P. G. Teeple general agency at Marquette, Mich., is the winner of the achievement cup awarded each year on the basis of a graded point system which divides the emphasis appropriately among four conservation and four production factors. This agency scored 830 out of a possible 1,000 points.

Franklin Life Agency Convention in Chicago

**Roy L. Davis, Assistant Illinois
Insurance Director, Is One of
the Speakers**

The Franklin Life had its annual convention at the Edgewater Beach Hotel in Chicago this week with James Abels, assistant treasurer and new director of agencies, presiding over the business sessions. Those from the home office on the program were President H. M. Merriam, Vice-president Henry Abels, Vice-president A. O. Merriam and Secretary Will Taylor. Roy L. Davis, assistant Illinois insurance director, spoke at one session, being introduced by Vice-president Abels who remarked that he had known every insurance superintendent since the Illinois department was organized. Mr. Davis replied that no official had so much to do with the passage of the Illinois insurance code as Mr. Abels. Speaking of the code provisions as applying to life insurance, he said that the restrictions place ample safeguards around life insurance investments. Mr. Davis said that in his opinion there is a greater need for life insurance now than at any other time. This is particularly true in days of economic depression. Life insurance, he said, has become a necessary part of the economic and social fabric of life. It is the job of the life salesman, he said, to tell the story of life insurance and what it will do for people. It serves particular needs and these should be pointed out. Mr. Davis said that of all the premiums paid for insurance in Illinois 75 percent go into the life insurance coffers. The average size of a policy in Illinois is less than \$1,700. Mr. Davis gave it as his opinion that life insurance salesmen should give much more practical and simple information about life insurance to their policyholders so that they will understand more about it. He said there is a great call for enthusiasm and spirit in the presentation of life insurance.

Vice-president Merriam Speaks

Vice-president A. O. Merriam said, in his opinion, that times have improved and there is a hope for greater improvement. There has been a tendency, he said, for business men and capitalists to wait for better times. Inactivity, he stated, brought about a condition which activity will remedy. Mr. Merriam said that he felt that life insurance men should enter their work with renewed hope. He called attention to the \$15,000,000 the Franklin Life has invested in bonds and said there is less than \$240 in default.

John Jamison of the Life Insurance Sales Research Bureau said last year there was \$600,000,000 life insurance purchased in New York City by 300,000 people out of 7,500,000 population. In Chicago there was \$200,000,000 purchased, the population being 3,000,000.

C. M. Cartwright of THE NATIONAL UNDERWRITER spoke at one of the business sessions, being introduced by Vice-president Abels.

The Monday morning meeting was devoted to roll call of members of the \$100,000 and \$250,000 clubs and a presentation of the emblems. S. S. Eckstone of the Budinger Chicago agency is president of the \$250,000 Club and Ray Collins of Milwaukee, vice-president. Emil Green of St. Louis is president of the \$100,000 Club, and Mrs. Mary Porter of Lufkin, Texas, vice-president. Prizes were also awarded to winners of renewal prize contest, which runs concurrently with the club year from July 1 to July 1. These, consisting of cash, were awarded by Henry Abels, vice-president, after an address in which he pointed out the value of conservation to both the agents and the company.

Announcement was made at the Wednesday morning session that the

1939 convention will be held at the Broadmoor, Colorado Springs, probably in July. Colored movies were shown of Franklin Life's Broadmoor convention in 1936.

Treasurer Jos. W. Jones, speaking Wednesday, highly praised James Abels, the new agency director. Mr. Abels had worked under Mr. Jones 35 years. Mr. Jones recited the many officers of Franklin Life who had held important positions in various life insurance organizations.

Col. C. B. Robbins, manager Ameri-

can Life Convention, in humorous vein, gave a conception of how life insurance was sold 30 years ago. He was most complimentary in his reference to the standing of Franklin Life.

Parker Asks Cooperation

Lee N. Parker, president American Service Bureau, in a talk, asked for the cooperation of agents when sending requests for inspections.

Will Taylor, secretary, gave an inspirational address "Priceless Ingredients," in which he developed the idea

that integrity is a quality that is built into any product offered for sale, including life insurance.

F. J. Budinger, Chicago general agent, and Mrs. Budinger entertained the conventioners at tea in their home Wednesday afternoon.

A. S. Treible Promoted

The Colonial Life has promoted A. S. Treible to manager of the Dover, N. J., office. He has been with the company for a number of years.



Who does not thrill to the close of the working day . . . the prospect of being free from its responsibilities and cares, even for the brief, fleeting hours between one day and the next?

And there are few of us who would not like to look forward to a time when we can be forever free . . . when at last alarm clocks can ring unheeded, when appointment books may gather dust . . . when leisure becomes a way of life, not merely a brief respite from a task which must be taken up again on the morrow.

Call it a day! Retire a definite number of years from now with the assurance of a regular monthly income you cannot outlive. Such independence is now possible to every man and woman who can earn even a modest living today.

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This Advertisement Appears during July and August in Ten National Magazines.

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• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Percentage Lease Helps Companies Get Fair Rentals

Makes Possible Long Term Agreements, Lessens Dan- ger of Costly Turnover

NEW YORK—Percentage leases are becoming increasingly popular with life companies as a sound means of fixing rentals on properties where the tenant is a retailer. While a few straight percentage leases have been written in the past, the current practice is to fix a guaranteed minimum rental and a percentage to be paid in addition, this percentage applying to the establishment's gross sales.

There are several distinct advantages from the viewpoint of both landlord and tenant. From the landlord's angle, the plan permits the tenant to pay what the property is really worth and though the landlord is in a sense in partnership with the tenant it is better for the owner to take a reasonable reduction if business conditions cause it rather than to hold the tenant to the terms of a lease which he cannot meet. Turnover on store properties is expensive for the owner and too much of it can wreck a building's earning power.

Confined to Retailing

The percentage lease plan cannot be used very widely outside the retail field nor can it be employed where the tenant does not keep accurate accounting records. The system has proven particularly popular with chain stores since it fixes the rent in relation to gross sales. These chains keep very accurate statistics and exercise close budgetary control over the operations of all their stores. A drop in gross sales is reflected in immediate retrenchment and the percentage lease automatically applies the same principle to the rental item in the overhead.

Originally a product of the depression, the percentage lease started out with no minimum guarantee to the landlord. Retailers, faced with a falling market, were loath to bind themselves to any fixed rental for many years into the future but at the same time they wanted a lease which would assure them of being able to continue in business at the same stand. Then, as business began to get better, owners could successfully insist on a minimum provision with a percentage applying above that.

Present Value is Basis

As percentage leases are currently drawn, the usual practice is to make the minimum guaranteed rental the rent that would be charged under present business conditions. Thus it is not necessary to estimate how business will average out for the entire period of the lease. The percentage feature takes care of that.

To utilize the advantages of the percentage lease, the company owning the property must do an expert job of appraising, with an eye to the neighborhood and the type of business to be done, the same as the chain stores do when they contemplate leasing a store. Those who are successful in renting properties on a percentage basis say that when the system doesn't work it is due to inexpert appraisal of these important factors.

Another point where care must be exercised is in drawing the lease. A carelessly drawn lease may make the landlord a partner of the tenant in a legal sense and this may have some costly repercussions. There have been cases where attempts were made to hold

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the landlord liable for a tenant's debts.

While the plan is limited to retailing, it is mainly in this field that the problem of gauging fair rentals for a long-term lease is an important one. In other lines it is far less vital for the tenant to be sure of holding on to a valuable site. To the retailer his location is valuable not only because of the neighborhood and the number and economic level of the people passing his door, but also because of his permanency at that spot. To a wholesaler the neighborhood and the traffic past his door mean nothing whatever and permanency at one address has little effect on sales.

New York Life Makes Some Changes in the Field

The New York Life has transferred Paul C. French, agency director at St. Joseph, Mo. to St. Louis in the same capacity. Dick Oliver, who for some time has been inspector of agencies for the southwest, has until now acted as agency director at St. Louis, where he has his headquarters.

The New York Life's usual system is for the territorial inspector to act as agency director at his headquarters office except in cases like Mr. Oliver's where extra pressure of duties in the field makes it advisable to appoint a special agency director at the headquarters office.

M. A. Derryberry, agency director at Pueblo, Colo., goes to St. Joseph to succeed Mr. French. Earl G. Bewley, agency director at Oklahoma City, has been given supervision over New Mexico in addition to having charge of the state of Oklahoma.

Occidental's Half Year Figures

The Occidental Life's new paid for business for the first six months of 1938, according to official figures given out at the home office in Los Angeles, totaled \$38,638,449, of which \$7,757,391 was group insurance, leaving a net total of new paid life business on individual policies of \$30,881,058.

This contrasts with \$36,714,041 total for the first six months of 1937, with \$6,322,252 group, and a net of \$30,391,789.

NEWS OF WEEK

Significant trends in life insurance buying shown by semi-annual survey of American Service Bureau. Page 1

Changes in settlement options slated for Jan. 1, 1939. Page 1

Sales promotion moves eyed with new interest by agency officials. Page 1

Cooperative fund of \$30,000 is now available to promote the work of C. L. U. study groups, and to assist candidates for the C. L. U. designation. Page 3

"National Institute for Research & Economics" proves to be fee-counselor outfit. Page 3

SEC reveals that the first phase of its investigation of insurance company investment practices will be the preferred placements of security issues directly with insurers. Page 3

New York legislative committee sends sweeping questionnaire on industrial insurance to companies operating there. Page 4

Selection official keep sharp eye on chemical industries. Page 4

Companies aroused over the letter sent out by the Policyholders Advisory Council through Director M. H. Siegel of New York on disability claims. Page 4

Franklin Life holds its agency convention in Chicago. Page 5

Silver anniversary celebrated by Insurance Federation of Ohio. Page 10

James Abela, assistant treasurer of the Franklin Life, has been appointed agency director. Page 14

Plans being made for the annual meeting of the National Fraternal Congress at Toronto. Page 21

Expert Outlines Factors in Public Relations Work

NEW YORK—While an institutional public relations program is generally thought of as dealing mainly with advertising and publicity, a really effective plan must take in not only these two important factors but with everything that is done which has or may have an effect on the public, either as buyers, potential buyers, voters or legislators.

Because of the intense interest in the public relations problem in the life field, THE NATIONAL UNDERWRITER interviewed the public relations counsel firm of Lyon, Sturges & Co., which has done an outstanding job for the New York state savings bank association. The savings banks, in fact, rate so high that New York's governor and legislators felt no hesitation in turning over to the banks the job of providing cheap insurance for the lower income groups through the passage of the savings banks life insurance law.

Must Be Self-Critical

According to Lyon, Sturges, any institution embarking on a public relations program must count on making a critical self-examination and then correcting whatever troubles need fixing, and at the same time informing the public about the merits of its product.

"In spite of its widespread use, there is no general appreciation of life insurance as an institution," said H. A. Lyon, senior partner in the firm.

"Perhaps it is fortunate for the life companies that during the last few years public disfavor was visited on banks rather than on the insurance companies. They haven't escaped completely, though, for all financial agencies still share some public distrust. For life insurance, this means greater sales resistance and recurring legislative problems. Grave errors have been made and can be made in both directions without a thorough knowledge of what is in the public mind and a commitment as to what is in the public interest."

Not an Alarmist

While not speaking as an alarmist, Mr. Lyon pointed out that in New York state alone in the last two years companies have had to face a cut in policy loan interest rates, savings bank life insurance, threat of an insurance company investigation, severe criticism of the industrial insurance situation, and a number of proposals which might adversely affect insurance mortgage investments. The power of the agents and the companies has been less, according to Mr. Lyon, because there has been no central guiding public relations force to consider and collate opinions and activities.

"The life insurance business cannot evade its responsibilities for participating in legislative thinking," he pointed out.

"First, the funds represent the savings of masses of people and second, insurance companies represent huge aggregations of funds and therefore are subject to misunderstanding. The activities of the life underwriters in New York state received a considerable amount of adverse publicity in connection with savings bank life insurance, obviously because they did the expedient thing in the expedient way rather than to think through the long-term effect upon the life insurance business. It was also noticeable that the companies and the underwriters did not present a united front.

Research Comes First

"To create a direct understanding of the life insurance business and its position in the community, it must first be discovered what people ought to know about it, what their objections and criticisms are, what they would like to know. While an approximation could readily be given of the answers to some of these queries, a factual study shrewdly and honestly done should give a tremendous impetus to a public relations program.

"From our own observations we doubt whether most policyholders really know what they are buying or what they have bought or in truth just how their policies actually benefit them. This is true because of the jargon of the trade whereby the prospect is overwhelmed with 'legal reserves,' 'old line companies,' 'non-forfeiture options,' 'conversions,' and so on.

Twisting Already Under Ban

"A public survey undertaken in good faith would doubtless reveal definite evils which have grown up in the business. One of these, twisting, is already in disfavor. There are probably others. Once they are appreciated, remedies or explanations or both may be easily determined. Among the possibilities for improvement might be simplification of policy forms, periodic information from companies to policyholders as to the operations and financial condition of the companies, simplified forms and underwriters' presentations, and so on. Quality underwriters should be interested in anything which improves public understanding of insurance and the companies should be interested in cooperating with the underwriters to improve merchandising methods."

Question Where to Begin

Mr. Lyon said in disseminating information to the public the benefit of advertising cannot be overlooked. "Advertising is one of the tools of public relations work," he said. "It would be our inclination to recommend radio, first as being an ideal mass medium, second because of its per capita

Northwestern Leader in 1938 Has Million Average



E. H. EARLEY

With \$1,288,430 paid business on 100% lives in the past agents' year to his credit, E. H. Earley, Brooklyn, led the Northwestern Mutual Life in new business. He has averaged nearly \$1,000,000 a year in paid business in the 15 years he has been with the Northwestern with a total production of \$14,893,680.

low cost expense on a national scale and third because it would give to the insurance fraternity a unified front."

Commenting on some constructive suggestions which have already been made, Mr. Lyon said that while these suggestions are meritorious it is rather a question of knowing where to begin, of the speed at which to progress, and of coordinating all efforts toward common ends. He said that for a start at a national public relations job the minimum budget should be \$125,000 and preferably \$150,000 to \$200,000. Of this amount, not less than \$25,000 and preferably \$30,000 should be allotted to public relations counsel for furnishing the manpower, experience, and doing much of the writing and supervising the entire efforts from its own offices.

As might be expected, Mr. Lyon favors the retaining of outside public relations counsel as against having one or more individuals on the paid staff of the institution handle the job. However, he advances some sound reasons for this procedure.

Keeps Objective Viewpoint

"Psychologically, it is possible for the outside counsel alone to cling to the outside point of view which is so essential to success," he said. "As one of our clients has put it, 'If we added a man to our staff, in less than two years he would be useless, for he would be thinking just as we do.' It takes some courage to hire an outsider who can afford to disagree with you but we honestly believe that that is what you are paying for."

"The objective viewpoint with reference to your own practices is the first essential if you are going to adopt policies which will satisfy outsiders. You need not only people capable of telling your story to the public, but even more important, people capable of telling you what the public thinks of you and your activities. Only with that viewpoint can you inspect yourselves thoroughly, honestly and consistently and thereby produce policies and practices which do not require high pressure sales efforts before the public will accept them."

The cashiers group of the Cleveland Life Underwriters held a moonlight lake ride on the steamer "Goodtime."

Six Months Figures Reported

	New Paid Business 1st Six Mos. 1938	New Paid Business 1st Six Mos. 1937	Inc. or Dec. Insurance in Force 1938	Inc. or Dec. Insurance in Force 1937
Bankers Life, Ia.	\$26,923,313	\$33,430,457	+\$ 306,048	+\$ 7,791,469
Boston Mutual Life	12,077,226	13,258,959	+1,004,678	+3,852,236
Farmers & Traders Life	2,068,200	2,646,013	+589,604	+1,341,029
Guaranty Income Life	1,006,349	1,357,516	+28,773	+427,323
John Hancock (Ord.)	111,685,539	159,890,137	+22,962,758	+83,377,907
John Hancock (Ind.)	120,198,597	155,790,199	+7,059,599	+86,505,104
John Hancock (Group)	10,022,750	40,134,700	-2,473,029	+44,444,485
Liberty Natl. Life, Ala.	3,571,523	4,543,852	-215,159	+1,370,191
Midwest Life, Neb.	2,231,111	1,974,988	+496,386	+611,787
Missouri Insurance	707,886	378,526	+462,279	+227,058
Penn Mutual Life	74,197,335	90,455,283	+5,820,991	+24,481,095
Peoples Life, D. C.	2,459,864	3,068,367	-52,053	+2,423,391
Peoples Life, Ind.	3,334,804	3,339,291	+127,792	+806,237
Pioneer National Life	211,000	229,320	-89,000	+135,080
Protective Life (Ord.)	5,065,006	5,569,194	+1,985,434	+3,141,011
Protective Life (Grp.)	2,583,529	7,058,580	-2,094,435	+5,271,251
Pyramid Life, Kans.	1,069,355	950,256	-8,059	+608,736
Security Life & Trust	6,693,284	5,892,018	+3,112,979	+3,219,883

Hitting Only Prosperous Businesses Boosts Sales

NEW YORK—In contrast to the news that life insurance production for the country was off 27.5 percent for June and 22.6 percent for the first half year is the fact that a group of 30 life agents increased their business the last 12 months by an average of 40 to 45 percent over the previous year, largely by the process of systematically confining their efforts to fields where business was on the upgrade and staying scrupulously away from those in which activity was stagnant.

This group is the Ocean Breakfast Club, run by W. C. Jeffrey, accident and health sales director of the Ocean Accident's metropolitan New York office. Though the club, which meets every Wednesday morning, is aimed primarily at accident and health production, all but a few of its members are life agents and the methods which have helped them boost their accident writings have also swelled their life insurance production to the extent already mentioned.

Go Where Business Is Good

Mr. Jeffrey, who had an extensive advertising and sales promotion career before joining the Ocean Accident, constantly expounds the principle of going where business is good and staying away from where it is bad. He says that while an agent can, if he is able enough, overcome the pessimistic attitude of the prospect who feels that business is poor, he is giving himself a needless handicap by tackling these prospects when there are plenty of businesses and professions where activity is brisk. People in these lines are not downhearted about their own business or the future of the country. They are not prone to waste time damning Mr. Roosevelt.

In all these industries the employees and executives have a sense of security and prosperity. Some of them may not be making any more money than many of those lines where gloom prevails but they feel that everything is on the upgrade and the agent does not have to overcome the initial handicap of convincing the prospect that the country has hit the skids.

Through the financial and business pages of the daily papers, through extensive reading of trade journals, and in fact through every possible medium Mr. Jeffrey keeps himself extremely well posted on business activity in the New York area. At the weekly club meetings he passes this information along to the members, who also make their contributions from what they have picked up or read. They also report on their experience in whatever field or fields in which it was decided to make tests the week previous.

Possibilities in Camera Business

Though some lines have faded out as insurance prospects, like the buggy-whip industry and the stock market, others have forged ahead, not seasonally or sporadically but with a sound though rapid growth. Chief among these, Mr. Jeffrey points out, is the camera business and all its allied lines. It is estimated, he says, that some 80,000 high class cameras have been sold in the last few years at an average price of around \$100. Along with the boom in cameras has gone a parallel increase in the sales of films, photographic paper and all kinds of camera supplies. Then there are the camera magazines, all of them doing very well.

People who are making money out of the camera business or one of its sidelines are logical prospects for insurance. Also, the man who has enough money to lay out \$100 or so on a camera exposes the fact that he is by no means broke and could probably afford to buy some insurance if it were properly pre-

sented to him. One camera club in New York City is reported to have 18,000 members, Mr. Jeffrey says, indicating the way interest has grown in photography.

In the photography field while business is good all the year round it is at its peak in the spring so that the present season is a good time to go after prospects in this field.

By knowing how business is in the field one is working, the agent can quickly spike any insincere alibis put forth by the man in a prosperous business who is pleading poor business in order to stall off the agents.

"That's funny," the informed agent says when he runs into this sort of thing. "Everybody else in your line of business is making money."

Because the agent knows the truth of what he is saying and knows that the prospect is also aware of it, it becomes easy to kill off this stock objection before it gets a good start.

Trades Well Centralized

Mr. Jeffrey finds that much lost motion is eliminated by working in certain businesses or trades since these, at least in New York City, are usually in a definite area. The agent who tries to get prospects all over town is merely trying to kid himself in believing he is doing a good day's work by spending a lot of time riding on the subway, Mr. Jeffrey contends.

Lines of business to avoid right now, according to Mr. Jeffrey, are the cotton business, the stock market, the utilities, including oil and telephones, and the automobile business. The advertising business is also flat now while commercial art has been badly hit by the use of radio in advertising and to some extent the greater use of photography for illustrations. Lawyers are not especially good prospects, at least the smaller ones not affiliated with a large law firm or employed by a corporation. Dentists are not an especially good group because during periods of depression the average man tends to neglect his teeth unless he has an unbearable toothache. A person will call in the doctor when he is sick, recession or no recession, but is likely to let a tooth go for awhile even though he knows it needs attention.

The system of following seasonal increases in business works throughout the year except for the last two weeks in July and the entire month of August, Mr. Jeffrey has found.

To Be Tried in September

HOUSTON, TEX.—George H. Cottrill and Charles C. Edison, officials of the National Mutual Benefit and the T. B. A. Benefit, mutual assessment concerns here, indicted by the federal grand jury on charges of using the mails to defraud, will be tried in the federal court Sept. 26, it is announced.

The indicted officials of the assessment companies are at liberty on bonds of \$5,000 each. The indictments charged that these concerns sold life insurance policies "similar" to those issued by legal reserve companies at lower rates and then settled death claims at 50 percent of their face value or less. The accused men have pleaded not guilty to the charges.

It is understood here that the investigation of the federal authorities of the two Houston concerns is a beginning of sweeping probes into the operation of assessment concerns all over Texas.

Becker Agency Keeps Plaque

The L. S. Becker agency of Lincoln National Life at St. Louis has now come into permanent possession of the President's plaque. The distinction comes from having for the third year been the leader among the larger agencies of

Lincoln National in production during President's Month. The award is based on an average per man for each full time man under contract. The Becker agency had an average paid for production per man of \$20,600.

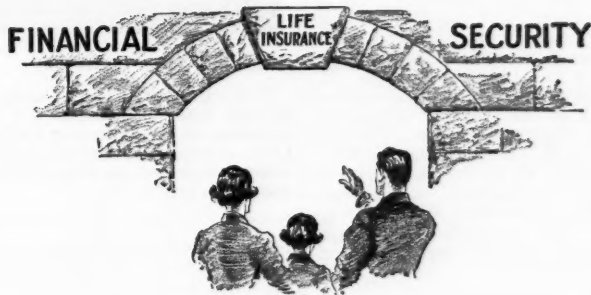
Reverses Loan Broker Decision

The Arkansas supreme court has given a substituted opinion in the case of Jernigan vs. Loid Rainwater Company. In a previous decision, the court held that Loid Rainwater Company was entitled to a license as a loan broker over the objection of the state banking department. Loid Rainwater Company required borrowers to purchase life insurance for which the Rainwater company was agent. The minimum amount of the insurance was \$1,000, regardless of the amount of the loan. This is merely a requirement made by the loan broker in order that he receive an amount of money in excess of the 10 percent interest charge. The court held

that the banking department was fully justified in concluding that so much of each borrower's note as was in excess of the sum loaned was not reasonably required in connection with such transaction, and, if this be true, just reason existed, not only to refuse to issue a license, but to cancel one which had been issued. Loid Rainwater's plan of operation, "is not fair to the hapless borrower," the court stated. For instance, one Kortke borrowed \$20 and gave a note for \$49.56, of which amount \$27.20 was for the insurance premium. It is not insurance which the borrower wants.

Indianapolis Life Picnic

INDIANAPOLIS—The annual picnic of employees of Indianapolis Life with city agents as guests was held at the Indianapolis Country Club. More than 140 attended. Golf and other games were played in the afternoon, and then a steak dinner was served. There was dancing in the evening.



IT'S THE KEYSTONE

The protective wall for any family is its financial security.

This must be firmly built as a sure defense against man's arch enemy—poverty.

In many a home the strength of the whole economic structure converges in the keystone.

This keystone is Life Insurance



The Prudential Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.

Ohio Federation Celebrates Its Silver Anniversary

J. S. Drewry Is Reelected President — Legislation Trends Reviewed—Urge United Front

COLUMBUS, O. — With fire, life and casualty insurance men in attendance from all parts of the state, the Insurance Federation of Ohio commemorated its silver anniversary with an all-day meeting here. The principal speakers were Chase M. Smith, general counsel Lumbermen's Mutual Casualty, Chicago, who spoke at the luncheon, and Claris Adams, president of the Ohio State Life, who talked at the banquet.

President J. S. Drewry, general agent Mutual Benefit Life, Cincinnati; Russell M. Knepper, Columbus, vice-president and counsel; C. A. Wikoff, Columbus, secretary-treasurer, and Homer Trantham, Columbus, executive secretary, were reelected. Mr. Adams and A. F. Little, Covington, secretary of the Ohio Federation of Mutual Insurance Associations, were elected vice-presidents. C. O. Garver, Columbus; John M. Vorys, Columbus; O. P. Ruffing, Columbus; Frank D. Donaldson, Greenwich; Warren H. Smith, Cleveland; Fred A. Zweifel, Toledo; James G. Daly, Columbus, and James G. Bachman, Cleveland, were added to the board of directors. R. J. O'Brien, Columbus; W. C. McNeil, Columbus, and Theodore Tangeman, Columbus, are new members of the legislative committee.

Serious Tax Question

In opening the convention, President Drewry directed attention to the federal deficit and declared that the tax question is very serious. Speaking of the January session of the Ohio legislature, he asserted that the federation will initiate no new legislation but will just watch the proceedings and take a hand when it is necessary.

Mr. Knepper reviewed the development of the Insurance Federation of Ohio, which was organized when workmen's compensation was being agitated in Ohio. He told what had been accomplished in the way of legislation and declared that no inimical laws had been passed when the federation was functioning. The success of the federation's activities is due to the fact that all branches of insurance are organized under its banner and are fighting side by side. Mr. Knepper declared that insurance will suffer no serious setbacks so long as it keeps the interests of the public in mind and works in its behalf.

Urges Contacts with Solons

Mr. Trantham submitted a report of the past year's activities and urged members to keep in close touch with the members of the legislature from their home towns and districts. A vast number of bills are introduced at each session of the legislature and they all must be carefully scrutinized so that no measure unfair to the insuring public is enacted, he said.

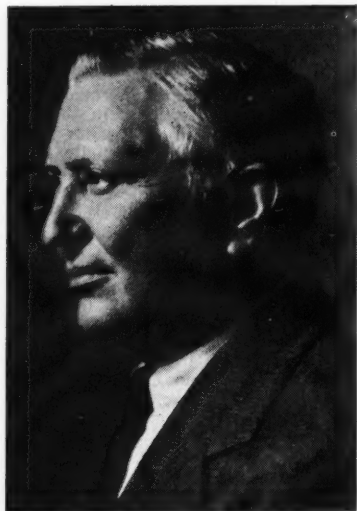
In discussing legislation, Mr. Smith declared that legislators reflect the attitude of the public. He pleaded for cooperation among all branches of insurance and urged special attention to the street and highway traffic problem.

Following the luncheon, group meetings were held. C. Vivian Anderson, Provident Mutual Life, Cincinnati, had charge of a round table discussion on life insurance.

Adams Urges United Front

At the banquet Mr. Adams commended the federation on its 25 years of achievement and declared that if there is one thing that insurance as a whole needs it is a forum in which all branches of insurance may take part and work out the problems that are of vital interest to the entire industry. He deplored

Heads Federation



J. S. DREWRY

J. S. Drewry, general agent Mutual Benefit Life, Cincinnati, was reelected president of the Insurance Federation of Ohio at its annual meeting in Columbus, which celebrated the 25th anniversary of the organization.

the utter lack of information that men in one branch of insurance have regarding the other branches of the industry, declaring that they are all similar in principle. A common understanding among business men is especially needed at this time. The speaker told of some of the problems that have been met and solved by the insurance business and

Group Settlement Practices for Programming Surveyed

In programming, group insurance is usually used for the cleanup fund. However, when the group amounts to \$4,000 or \$5,000 it is often advisable to have part of it paid on the monthly instalment plan. The practices of various group writing companies vary in their instalment provisions but in the main they insist on simple forms unless the policyholder has ordinary life insurance with the company.

The Travelers will pay part of the principal in cash and the balance in annual or monthly instalments up to 20 years. Provisions for group settlement are included in the master contract. On the regular monthly or annual instalment agreements 3½ percent interest is paid on the money left on deposit, while if a special agreement is made the interest rate is reduced to 3 percent. A special settlement form is provided for attachment to the individual policy or else the employer can make the settlement notation on his group record card and have the insurance company make the payments along those lines in case of death of the individual assured.

Formerly the mode of settlement was left to the employer if he paid for the group insurance, while the employee had the right to designate the settlement if it was on a contributory basis. However, this proved to be a minor question so such provisions are no longer made.

Limited to Five Years

The Equitable Society will make group settlements either on the cash, instalment or combination of both. Payments are limited to a five-year period unless special provisions are made. The form of settlement is attached to the individual policy. There are about five standard forms. The Equitable guar-

Cincinnati Families Long in Insurance

By GEORGE E. WOHLGEMUTH

CINCINNATI—The recent retirement of Charles J. Iredell from general agency work with the Penn Mutual Life in Cincinnati brings to mind a number of general agencies in this city which have been in the same family for several generations. Cincinnati was one of the first cities west of the Alleghenies entered by eastern companies and its agencies go back practically to the time of the organization of several companies. It has always been an insurance minded city and is the home of four well known companies.

James W. Iredell, Jr., the father of C. J. Iredell, was born in Norristown,

Pa., in 1843. He was appointed general agent for the Cincinnati Home Fire at Detroit in 1865. Two years later he was named general agent of the Cincinnati Mutual Life for southern Ohio at Cincinnati. In 1869 he was elected secretary of the Home Mutual Life of Cincinnati which was reinsured by the Union Central in 1871. In the latter year, Mr. Iredell was appointed superintendent of western agencies for the Penn Mutual, receiving the title of general manager for Ohio, Kentucky, and Tennessee in 1887. C. J. Iredell was born in Kenton county, Kentucky, in 1873. He entered the office of his father in 1892 and was appointed general agent for southern Ohio in 1895, retiring from that position to become a personal producer only recently.

Bruehl Family Unique

A unique life insurance family is the Bruehl family, general managers of the Home Life, New York, which has represented the company through four generations since 1861, nine months after the organization of the company. R. A. W. Bruehl was appointed Cincinnati agent in that year and the company has therefore been represented by his family over 75 years. W. A. R. Bruehl, the present senior member of the firm, entered the agency after he graduated from Wallace college, Berea, Ky., in 1882 and succeeded his father on the latter's death in 1894. W. A. R. Bruehl, Jr., followed in the footsteps of his father and entered the agency in 1907. His son, the fourth generation, bearing the name of his great-grandfather, R. A. W. Bruehl, became associated with the firm in 1934.

Mack Family Prominent

Another old life insurance family is the Mack family, representing the Northwestern Mutual Life. M. J. Mack was born in Germany in 1831. He was appointed special agent for the Northwestern Mutual in Cincinnati in 1879 and general agent in 1881. M. W. Mack, a nephew, entered the agency in 1892 as cashier. He went into the field in 1894 and was appointed associate general agent with his uncle in 1901. When M. W. Mack retired in 1934, his son, W. J. Mack, succeeded him as general agent. W. J. Mack entered the agency in 1919. An uncle of W. J. Mack, R. W. Mack, is an agent in Cincinnati, and another uncle, L. W. Mack, has represented the Northwestern Mutual over 50 years in New York City.

Cross Family and Columbia Life

Three members of the Cross family have headed the Columbia Life of Cincinnati. Dr. Felix G. Cross, grandfather of the present president, Frank B. Cross, Jr., entered the life insurance business in Cincinnati in 1875, serving as general agent for the Penn Mutual and Massachusetts Mutual. In 1902 he founded the Columbia Life, which he headed as its first president. Upon his death in 1919, his son, S. M. Cross, succeeded him. Following the death of S. M. Cross in 1937, his nephew, the present president, who had served the company 20 years in agency and home office work, was elected to that office. Frank B. Cross, Sr., a brother of S. M. Cross, who had served the company as medical director since its organization, died only a few weeks ago.

Still another family is the Drewry family, which has represented the Mutual Benefit. J. S. Drewry, general agent at the present time, joined the general agency of his uncle, L. D. Drewry, at Chattanooga in 1898. The latter went with the company about 1890, after engaging in a general insur-

antes 3 percent interest and pays excess if possible, the current rate being about 3.6 percent.

The Aetna Life is liberal in its settlements and will make most any agreement except guaranteeing interest rates, the present rate being 3½ percent. It pays instalments up to 20 years or until the principal is used up. It will stagger the payments, such as a lump sum and \$100 a month the first year and \$50 a month thereafter.

Extend to 20 Years

The Sun Life of Canada allows group settlement instalments to extend 20 years with a \$25 minimum monthly payment. Its settlement provisions are liberal and they can be made to fit the average case.

The Metropolitan Life's group contract provides for payment in instalments up to 20 years. Settlements in the main can be arranged as used for ordinary life contracts.

The Connecticut General Life has been actively pushing its settlement plans in selling group and on a \$1,000 policy it suggests \$200 cash and a \$67.64 monthly payment for 12 months. It also sells an odd amount contract for \$1,681 which provides \$500 cash and \$100 a month for a year. In general instalment settlements are limited to five years.

The John Hancock provides for either a lump sum or instalment payments or a combination of both. Instalments are limited to five years.

The Prudential makes payments in a lump sum or in instalments or a combination. It has a \$10 monthly instalment minimum and 10-year limit.

The General American's provisions are the same as on ordinary life.

ance business at Atlanta, Ga. He served as general agent for the Mutual Benefit in Alabama, Mississippi, and Tennessee. L. D. Drewry was appointed superintendent of agencies at the home office and while in Cincinnati pending the appointment of a general agent, was asked to assume those responsibilities in 1897. J. S. Drewry went to Cincinnati from Chattanooga in 1902 and became a partner in 1914. His uncle died in 1929.

Siegel's Letter to the Companies

(CONTINUED FROM PAGE 4)

the public in general will be extremely interested in your response."

It would be very interesting to have an explanation from Mr. Siegel as to why such a letter was sent out. Either he missed the point entirely or is attempting to make capital on a strained assumption. He probably realizes that there is no honest claimant that is treated unfairly by a life company. In fact, companies are meticulous in their policy in this connection and do not contest claims unless there is evidence of clear fraud or attempt at injustice. Even in many borderline cases companies prefer to pay the claims rather than get into litigation or dispute.

"National Institute" Proves to Be Fee Counsellor Outfit

(CONTINUED FROM PAGE 3)

motional end of the radio and motion picture business.

Early this year Mr. Smith quit Gilbert & Sullivan and teamed up with Oliver de Werthern to form the Oliver de Werthern Associates. Up to that time Mr. de Werthern had been the "principal actuary" of the "Policyholders Advisory Council," of which Morris Siegel is head. A few years ago Mr. de Werthern was editor of the abortive "Life Insurance Enlightener" which folded after a few issues. Mr. de Werthern does not like the way the life insurance business is being run and has not hesitated to say so.

While the National Institute of Research & Economics is listed as successor to the Oliver de Werthern Associates, Mr. de Werthern is not in the new organization although his recently published paper bound book, "Behind the Scenes of Life Insurance," is very much in the new picture and is being extensively exploited in advertising.

The book is being sold for 25 cents as against its original price of \$1, its main function being to act as advertising. Each book contains a policy audit form and the reader is invited to send this in to the National Institute. According to Mr. Kaye-Martin, about 70 percent of the institute's business is from out of town.

While the new organization says it does not regard term insurance as the cure-all for every insurance situation, it operates on the principle that no policyholder should buy life insurance for any thing except protection and should do his own investing. The newspaper advertising of the de Werthern book is somewhat less lurid than the Gilbert & Sullivan publicity. Incidentally, garbled reports of the advertising program implied a very much more elaborate program than is actually the case.

Mr. Kaye-Martin said that the institute would shortly announce a staff of 15 "associate actuaries" some of whom would actually be members of the Actuarial Society of America or the American Institute of Actuaries.

Wisconsin Meeting Held

The Solberg Insurance Agency, Eau Claire, Wis., was host to field men of the Mutual Trust Life in its own agency and the Murat Agency of Stevens Point, Wis., at a sales meeting. Company executives addressing the agents were A. B. Slattengren, vice-president, and W. G. Young, Jr., field supervisor.

Staff Honors Carpenter and Goodcell Is Sworn In

The warmth of friendship and esteem in which he is held by the staff of the California insurance department was expressed to Commissioner Carpenter in a signed testimonial presented to him at a luncheon on his last day in office before assuming management of the Pacific Board. Presentation of the scroll was made by Deputy Commissioner Beckett, who is rounding out 32 years of service.

Sharing honors as guest at the affair was Rex B. Goodcell, successor to Mr. Carpenter. The following day Mr. Carpenter accompanied Mr. Goodcell to Sacramento where he took his oath of office.

Although a limit of 500 was placed on accommodations for the testimonial dinner in San Francisco tendered Commissioner Carpenter on his retirement, and Commissioner Rex B. Goodcell on taking over, it was found necessary the last day to extend these facilities as the demand for tickets became greater from all parts of the state. Governor Merriam was the principal speaker. Mr. Goodcell was introduced. In behalf of the group, Stephen Malatesta, president Insurance Brokers Exchange and chairman of the arrangements committee, presented Mr. Carpenter a heavy silver plaque set on an ebony board, suitably inscribed in appreciation for his service from 1935 to 1938. Mr. Carpenter gave sound counsel for the future and urged cooperation with his successor. L. W. Cutler, vice-president Fidelity & Deposit and president Golden Gate International Exposition, was toastmaster. The dinner was preceded by several private parties followed by an open-house of the entire group.

CALL OFF LOS ANGELES DINNER

LOS ANGELES—The tentative arrangements announced recently for a welcoming dinner on the part of Los Angeles and southern California insurance interests to the new commissioner, Rex B. Goodcell, have come to naught, and the invitation to the commissioner has been withdrawn with the greatest reluctance by the committees that were in charge.

The withdrawal of the invitation was due to the fact that most of the insurance men who could speak for their offices and who are the leaders in the business are away from the city on their vacation, and it was felt that because of their absence and their inability to participate, it would be wise to go no further with the matter, and the letter of withdrawal was then sent to Commissioner Goodcell. The plans had been somewhat clouded by political considerations.

Bankers National Agency Clubs to Go on Cruise

More than 50 members of the Master Producers and President's clubs of the Bankers National Life will sail July 26 on the "Carinthia" on a ten-day convention cruise to Nassau and Havana. Home office representatives will include Agency Vice-president W. J. Sieger, Vice-president J. M. Webb and Agency Secretary Alexander White. President R. R. Lounsbury will entertain the President's Club at a special banquet in the New York Athletic Club.

Manhattan Life's New Rules

Manhattan Life has liberalized its rules relating to nonmedical additional insurance. The company will now consider additional insurance for a maximum of \$5,000 within two years of a medical examination or \$3,000 within five years of an examination. The non-medical addition is for use only when the original policy is still in force and where the insured has not been rated up for physical reasons or because of

an unhealthful occupation and has not reached age 46 at nearest birthday.

Actuaries to Visit Canada

TORONTO—The group of British actuaries who will attend the convention of the Actuarial Society of America to be held in New York in October will also be the guests of some insurance companies while on a brief visit to Canada. At Montreal the visitors will be entertained by the Sun Life and in Toronto they will be the guests of the Canadian Life Insurance Officers' Association.

"Benevolent Association" Halted

PIERRE, S. D.—Commissioner Dunn announces that after a hearing the Home Benevolent Association of Yankton, S. D., was ordered to dissolve and cease business. The hearing developed that the society was working under a plan which is allowed in Iowa, but had not in any way complied with the insurance

laws of this state. Its books and records were turned over to the insurance department.

Bankers Life Payments

Policy payments made by the Bankers Life of Iowa in June totaled \$1,706,357, of which living policyholders received \$1,051,629, or 62 percent, in dividends, disability and annuity payments, etc. On the 216 policies which became death claims in the month, the company paid \$654,728. The average age of all policyholders involved in these death payments was 61.

Some Sales Shorts

Few men keep their vision of success and achievement glorified.

Every calling is great when greatly pursued.

The man who is not awake to his opportunities has need of alarm.



LOOKING AHEAD?

Are you looking ahead—seeing the opportunities awaiting you as head of your own general agency? Do you have the vision, perseverance and courage to step into an unusual general agency contract?

If you have, here is your BIG OPPORTUNITY to become a full fledged general agent under direct contract with one of the fastest growing, most successful life insurance companies in the East.

All we ask is that you show a personal paid for production of \$100,000 during the last year; feel that there

isn't much chance of growing with your present company and have family responsibilities.

Here is your chance to secure a liberal general agency contract with a company that knows how to help you build a profitable general agency. It's an opportunity to establish your own business; develop your own sales force; increase your earnings and become the head of a permanent business in your own community. If you are interested, don't delay writing Mr. William J. Sieger, Vice-President, for the complete details of this exceptional opportunity.

Right now there are several good openings in Pennsylvania; New Jersey; Rhode Island; Maryland and Delaware.

BANKERS NATIONAL LIFE INSURANCE COMPANY

Montclair



New Jersey

EDITORIAL COMMENT

Production Figures for the Half Year

WITH life insurance sales off 21.6 percent up to the end of May, there was little chance that the half year figure would make a very favorable showing, even if June had shown a decided improvement. Unfortunately, June was the worst month, percentage-wise, so far this year, the decrease being 27.5 percent from June, 1937, on the basis of the LIFE PRESIDENTS' ASSOCIATION's figures. The net result is that life insurance production was off 22.6 percent for the first half year, with the June figure sending the trend down at an even steeper gradient than prevailed at the end of May.

Unluckily, it is not possible to point to either industrial or group for an exception to this trend. Industrial was off 24.0 percent for June and 19.5 percent for the half year. Group dropped 48.7 percent in June and 38.9 percent for the half year. While the group figures give more arresting percentages than the other two branches of insurance, they represent a smaller volume of business and are in a field where a few large cases can influence the percentages very greatly. Also, fortunately, the group figures are less of an indication as to how Mr. Average Agent is getting along in his production.

As for the figures on ordinary, there is not much solace in them. Some comfort may be taken from the fact that in the last year companies have been canceling contracts of more and more marginal producers, thus helping the average of earnings per agent. However,

it must be remembered that the marginal agents whose contracts were cancelled were not doing much business so that the effect on average earnings of this weeding out process puts little additional money into the pockets of the man who is making a career of life insurance.

From recent indications of reduced sales resistance, it seems more profitable to look to the future for encouragement rather than attempting to discover reasons why a 22.6 percent drop in new business is not so bad as it looks. New York City, which usually reacts to depressions and recoveries in advance of the rest of the country, is much more cheerful than it was even a month ago. Agents there are finding it easier to sell life insurance to prospects who not long ago were afraid to make any commitment whatever. Chairman JACK LAUER of the Million Dollar Round Table says, that the present enrollment in the Round Table is ahead of the 1937 total for this date, and that this means that business is definitely better than it was a year ago. Agents doing business with substantial prospects find that these men are more than ever interested in insurance, particularly the retirement income type.

If all these indications are accurate they should mean that written business is already showing an improvement and that the July paid-for totals should show a much more favorable picture than does the first half of this year.

More Than Educating the Public

IN THE rising tide of interest in a life insurance institutional public relations program, it is easy to overlook the highly pertinent point made by Executive Vice-president J. A. BOWER of the CHEMICAL BANK & TRUST COMPANY, New York City, in his address before the NEW YORK CITY LIFE MANAGERS ASSOCIATION. Speaking as a life insurance policyholder, Mr. BOWER pointed out that a real public relations job means not only telling the public in an effective and attractive way how good life insurance is, but also finding out what features of it or the methods of merchandising it are irritating the public and then correcting them.

If and when a life insurance institutional public relations program is embarked on, any public relations counsellor worthy of the name would, of course, recognize the fundamental principle and make recommendations accordingly. In the meantime, however, there is danger that the critics

of life insurance and that section of the public which is happiest when it can read about an attack on some large corporation will get the idea that the public relations program desired by many in the life insurance business would be merely a super-campaign of propaganda.

One of the most telling recent criticisms made against the Roosevelt administration is that it has been spending in the neighborhood of \$10,000,000 a year in publicity to extol its own deeds. If it were noised around that the life companies were going to spend a lot of money merely to expatiate on the virtues of life insurance, there would be too good a chance for the self-appointed critics to make capital out of it.

Since life insurance, for all its sound scientific foundation, is after all a human institution, it is inevitable that there are features about it or the way it is sold that occasionally cause annoyance to policy-

holders and prospects. What these points are and what their relative importance is is difficult to say. For that very reason, however, they would be among the first fields of study for a unified public relations program. Whatever they are, they are doubtless intrinsically extremely unimportant, yet, like the proverbial pebble in one's shoe, can take on an importance out of all proportion to their actual size.

The life insurance business is particularly fortunately placed in that it gives value received for the purchase price to an extent that is difficult to duplicate in the entire field of selling. Of many businesses it is probably true that if the buyers understood all that goes on behind the

scenes they would be loud in their denunciations and would demand instant reforms. In the case of life insurance, however, the fundamentals are so sound that understanding of them would result in more sales rather than less. In this connection it is significant that life insurance men in the field and home office consistently put a larger percentage of their incomes into insurance than do others on comparable economic levels.

Because of its fundamentally sound position, the institution of life insurance can well afford to inquire frankly into whatever features may be annoying policyholders and take the necessary steps to correct them.

Merchandising Life Insurance Books

LIFE insurance men have the opportunity now in buying books through a source that has all the facilities for selection, distribution and proper merchandising. The NATIONAL ASSOCIATION OF LIFE UNDERWRITERS had a book department but has disposed of its stock to THE NATIONAL UNDERWRITER and retires from the book publishing and selling field. THE NATIONAL UNDERWRITER organization has all the machinery to publish, sell and distribute books relating to life insurance and kindred subjects.

The Cincinnati office is the headquarters, maintaining what it calls the "Insur-

ance Book Publishing House." Here those connected with that special department become acquainted with insurance books and prescribe those that are valuable for people desiring to pursue a certain line of investigation or study. In this way the industry is assured of skillful, intelligent and rapid treatment. In a way the insurance book publishing and selling is a specialty in itself. THE NATIONAL UNDERWRITER has given much attention to this and we feel that we can say with modesty that the life insurance business will be very efficiently served as a result of this change.

PERSONAL SIDE OF BUSINESS

R. E. Irish, vice-president of Union Mutual of Maine is chairman of the 1938 Portland community chest. Assisting him will be Harold P. Cooley, Maine manager for New England Mutual.

C. T. Poole, who for 15 years served as general agent at Winston-Salem, N. C., for the Maryland Life, is dead. He was an industrious and successful man.

The Virginia Mutual Benefit Life of Richmond, Va., has lost Dr. A. A. Tennant, vice-president and medical director, the funeral being held from Ebenezer Baptist Church. He was regarded as the dean of Negro physicians in Richmond and was medical director of the Richmond Community Hospital. He graduated from the Leonard Medical School of Shaw University of Raleigh, N. C., and studied at the University of Chicago.

Fred W. Hoch of the Marion, O., agency of the Ohio State Life, was the guest of honor at a 25th anniversary dinner in Marion. Superintendent Bowen of Ohio and President Claris Adams of the Ohio State were among the prominent guests.

E. L. Grant, manager Insurance Exchange branch Continental Assurance, Chicago, who several months ago underwent a brain operation at Johns Hopkins, is now able to walk about and swim in a pool daily at Miami Beach where he is recuperating. The motor

functions of his left side are still somewhat affected so he is scarcely able to use his left arm, and his left leg is still causing some trouble. Mr. Grant is in splendid health, however, and has all his mental faculties. Agents in the branch office conducted a testimonial campaign in June, some 90 agents and brokers securing 189 applications for a large volume of business. Slips were prepared upon which the producers penned personal messages that were delivered to Mr. Grant at the close of the campaign. H. A. Glasgow, vice-president, and Frank Miles, assistant manager, directed the campaign.

F. E. Walker, president Walker-Hiner Agency, Salt Lake City, and resident vice-president United Benefit Life for Utah and Idaho, is a candidate for state senator on the Democratic ticket. He is past president of the Utah Life Managers Association and Salt Lake Association of Life Underwriters, and now president of the newly organized Utah State Life Underwriters Association.

Judge C. S. Younger, president of the Cooperative Life and former Ohio superintendent of insurance, is ill in Mt. Carmel Hospital in Columbus.

Maj. J. B. Campbell, 52, St. Louis, manager of the Fidelity Mutual Life, died of heart disease at his home in Kirkwood, Mo. He went to St. Louis in 1926 from Chicago, where he had been associate manager. After long and dis-



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tinguished service in the United States army, he resigned his commission as a major in 1920 to enter life insurance in Chicago.

George P. James, 70, former president of the Mutual Union Life, died in Seattle after a long illness.

About 80 attended the dinner in Albany for **J. Frank Burke**, marking his 10th anniversary as agency director of New York Life.

W. E. White, vice-president Continental Assurance, was in Denver on an agency trip the other day when he received a telegram from Middlebury, Vt., where his wife was attending a graduate school brushing up on her French, that she would have to undergo an emergency appendectomy. Denver and Middlebury are at least 2,000 miles apart. He found that unless he chartered a plane out of New York he could make as good time by fast train. He arranged to secure a skilled surgeon in Boston but it was necessary to charter a plane to send the surgeon to Middlebury. Mrs. White is progressing favorably. Mr. White still being with her. She is a University of Chicago graduate who is talented in languages.

Hugh Duff, president Pioneer National Life, Topeka, Kan., died there of a brain embolism only a few weeks after his son Charles had been killed in an automobile accident near that city. The son recently was appointed assistant secretary of the Pioneer Mutual. Hugh Duff was born in 1877, attended Campbell University at Holton, studying law, and in 1901 became district court clerk of Phillips county where he was in the clothing business. He then organized a bank at Sabetha, Kan., of which he was president until 1930. Then he became agency manager for the Kansas City Life and later agency supervisor Victory Life, Topeka. He with friends in 1928 organized the Pioneer National and had been its president ever since. He was active in politics for many years, having been treasurer of the Republican state committee.

J. R. Townsend, Jr., son of J. R. Townsend, agency manager Equitable Life of Iowa in Indianapolis and an agent of the company there, will be married Aug. 1 to Miss Virginia Holt. Mr. Townsend is a graduate of Butler University in Indianapolis and took his master's degree under Dr. S. S. Huebner at the Wharton School of the University of Pennsylvania. He has lectured at Butler University in connection with the C. L. U. course. Miss Holt is daughter of **W. G. Holt**, Indianapolis branch manager of the London & Lancashire Indemnity. For the past year she has been secretary of V. M. Armstrong, Indianapolis insurance attorney.

A memorial plaque to the late **A. B. Cheyney** was presented to the Philadelphia branch office of the Continental American Life by the agents at a luncheon. Mr. Cheyney, who was several times a member of the Million Dollar Round Table and for year after year was either president or vice-president of the Continental American Leaders Club, was the oldest agent in point of service, being connected with the company from 1909 to the time of his death in April, 1938. President A. A. Rydgren, and Vice-presidents W. M. Rothaermel and D. E. Jones, and five of the eight living members of the original "Old Guard," of which Mr. Cheyney was captain at the time of his death, attended. The plaque was presented to the Philadelphia office on behalf of agents by M. B. Simon, and accepted by Manager M. W. Lammers and President Rydgren.

Members of his agency were pallbearers for **Owen G. Wilson**, Omaha, general agent Bankers Life of Iowa, who died after being stricken ill while vacationing at Lake Okoboji. Active

Dallas Sets New One-Day Record in Sales Crusade

The National Salesmen's Crusade, which is being sponsored by sales executives to stimulate business in many sections of the country, was observed in Dallas and a Life Insurance Day drive netted \$3,126,995 worth of business, thereby setting a new one-day record in that city. Paxton Matthews, president of the Dallas Life Underwriters Association, reports. Salesmen for the 48 companies reporting made 2,956 calls and wrote 786 applications. The day started off with a breakfast at which Elmer Wheeler, author and lecturer, spoke. Other speakers included E. F. Anderson, Roscoe Thomas and Ben Smith, crusade chairmen.

pallbearers were R. J. Neary, C. O. Webb and W. C. Clarke, all of Omaha; W. H. Wood, Council Bluffs; J. D. Nash, Sioux City, and B. R. Peters, Fremont.

In insurance 47 years, Mr. Wilson on July 1 completed 20 years as agency manager. He has been a member of the executive committee of the insurance division, Omaha chamber of commerce, for many years, and active in the Nebraska Life Managers Association. He was born in Washington, Ia., and was a graduate of Iowa Wesleyan. Honorary pallbearers were Charles Harding, Jay D. Foster, Fred W. Clarke, M. A. Hall and Franklin Mann, all of Omaha, and W. F. Winterble, Des Moines.

F. W. Darling, agency manager at Cedar Rapids, Ia., for Bankers Life of Iowa, left this week for a vacation Colorado.

John C. Griggs, 87, general agent of the Phoenix Mutual Life for many years in Barre, Vt., later with the McAllister & Kent agency of Barre, and previously with the Metropolitan Life as agent and assistant superintendent in charge of the Barre district, died in Montpelier.

Dr. Homer Gage, 77, for many years medical director and medical referee of the State Mutual Life, and its third oldest director, died at his country home near Worcester of a heart attack. He was elected a director in 1904 and in 1908 was appointed assistant medical director. He became medical director in 1913 and medical referee in 1924, serving in that capacity until 1934. He was president of the Life Insurance Medical Directors Association in 1916-1917.

Paul C. Sanborn, general agent in Boston for the Connecticut Mutual and member of the executive committee of the Million Dollar Round Table, in the vicinity of the Bahamas, hooked and landed what is said to be the world's largest marlin ever to be caught with a 39-thread line. About to leave Bimini Island on his way to Miami, Mr. Sanborn set his out-riggers for a final, casual troll on the trip. Two days before he had landed a 330-pound fish. Late in the day, a 596-pound beauty struck at the bait and the ardent fisherman was hurried into action which lasted exactly one hour and 30 minutes.

Col. C. B. Robbins, manager and general counsel American Life Convention, Chicago, has returned to his office following vacation at his cabin near Cedar Rapids, Ia., his old home. He spent the time at hard work fixing up the cabin and its surroundings. Colonel Robbins loves to build things. In pursuance of this avocation he bought some 60 tons of cut stone and a large amount of well seasoned lumber from an old hotel that was being wrecked in the neighborhood, and with this he plans to put in various improvements. Lee N. Parker, president, and Barrett M. Woodsmall, vice-president, American Service Bu-



Know your family's SEVEN VITAL NEEDS
...to make your premium dollars go further!

To a little while, dear Daddy's
Those new...
You would hardly add "I'm writing a life insurance premium check." She wouldn't comprehend. But do your family know exactly what those dollars are buying? Do you know what each of your insurance policies is supposed to do for your wife and children—both immediately after your death, and in later years as new needs arise?

Seen to the number of the average family's vital needs. When you can know what they are, you can earmark premium dollars to take care of them. You can sign those premium checks with a satisfaction you have never known before.

Get the "Family-needs Forecast" Now so that every father can give his wife and children the wisest, most far-reaching protection with in his means. Union Central Life has developed a wholly new service. It is the "Family-needs Forecast"—a remarkably simple method for finding out just how well your life insurance would meet your family's inescapable needs. The "Family-needs Forecast" is based on our intimate knowledge of several million fatherless families, over a period of more than 20 years.

There is near you a Union Central Life representative, capable and understanding, who will be glad to show you how to use this Forecast—how you yourself can check your life insurance against the actual needs it might suddenly have to meet. No cost or obligation—just mail the coupon.

I would like to see the Family-needs Forecast

Name _____
Address _____
City _____
State _____
Zip _____

The UNION CENTRAL LIFE Insurance Company
A \$200,000,000 INSTITUTION...FOUNDED IN 1867

What the X-RAY is to medicine ... the FAMILY-NEEDS FORECAST is to life underwriting

THE Family-needs Forecast is a simple device that lets the underwriter make an "X-Ray" diagnosis of the prospect's needs... a diagnosis that is truly professional in its clarity and accuracy.

With this Forecast the underwriter can show the prospect *all seven* of the vital needs that might suddenly confront his family. And he can give an analysis, so clear and striking that it leaves no room for doubt, of how well the prospect's present insurance could cope with those seven needs.

But that's not all. The Forecast makes it possible for the underwriter to prescribe for the future so understandingly and so accurately that the prospect cannot fail to give full consideration to his recommendations. And in an abnormally high percentage of cases, this consideration results in a good-sized sale.

The UNION CENTRAL LIFE Insurance Company
CINCINNATI, OHIO

reau, the affiliated company, and Ralph H. Kastner, associate A.L.C. counsel, with their wives were week-end visitors at the cabin.

L. A. Monks of Bay City, Mich., 49, who has represented the Great-West Life more than 17 years, died suddenly. Always a consistently high producer, Mr. Monks regularly made the company's production clubs. For a year, in 1934-1935, he was a unit manager, but turned again to personal production, where he felt his greatest possibilities of service lay.

In 1936-37 he served as vice-president of the Michigan State Association of Life Underwriters and was a past president of the Bay City association.

President **Edwin A. Olson** of the Mutual Trust Life of Chicago took a prominent part in the festivities in connection with the visit of the crown prince and crown princess of Sweden to his city. The acme of the celebration was a large gathering of Swedish-Americans of the midwest in Soldier Field. The Swedish Americans are celebrating the tercentenary of the landing of Swedes in Wilmington, Del.

W. O. Cooper of the John Hancock Mutual Life, Dallas, Tex., president of the Dallas Junior Chamber of Commerce, has been named chairman of the national committee on Americanism of the U. S. Junior Chamber of Commerce. "Americanism" is one of the three major projects of the national chamber and Mr. Cooper's appointment was a result of a short, inspirational address he made on Americanism at the recent national convention in Oakland.

W. M. Hobbs, president of the American Home Life of Topeka, Kan., while vacationing in Denver, underwent an operation for kidney stones. He is now well on the way to recovery, barring any unforeseen complications, and resting very easily.

The three daughters of **George A. Spencer** of Detroit, state manager of Security Mutual Life of Binghamton, N. Y., and Mrs. Spencer were married the other day in a joint ceremony at St. Joseph's Episcopal Church, Detroit. Miss Genevieve Spencer was married to Harry Bland; Miss Eva M. Spencer to Frank C. Perry and Miss Laura J. Spencer to John E. Kerr, Jr.

Wallis Boileau, Jr., second vice-president Penn Mutual, had a terrifying experience on an air journey between Cheyenne and Omaha last week, the passenger plane in which he was riding being almost wrecked by a tornado. The pilot had been warned by radio of the impending storm, but was told that by going to a certain higher level he could avoid it. However, the suction of the tornado's low pressure area when it passed underneath drew the plane down. Seats were torn loose and passengers thrown around. All were so frightened that they had no clear conception of the occurrence, but it was Mr. Boileau's belief that for a time they were actually in the core of the tornado. The plane fell out of control almost to the ground, then was righted and escaped from that danger only to meet another smaller tornado which was avoided after some difficulty. Mr. Boileau was en route from Cheyenne to Chicago and thence to the home office in Philadelphia.

Mrs. Edith M. Cox, 59, wife of President **Guy W. Cox** of the John Hancock Mutual Life, died at the Margaret Pillsbury hospital in Concord, N. H., where she had gone from her summer home in Pittsfield, N. H., to undergo an operation. Mrs. Cox was a native of Nahant, Mass. She was married to Mr. Cox in 1925.

In an old Canadian ranger cabin in the heart of the north woods just across the international boundary line, nine men were initiated July 13 into the Arnold Basswood Club, secret organization of fieldmen of Northwestern Na-

NEWS OF THE COMPANIES

Appointed Agency Director

James Abels, Assistant Treasurer of the Franklin Life, Has Been with It Over 35 Years

James Abels, assistant treasurer of the Franklin Life of Springfield, Ill., since 1920 and chief of agency accounts since 1910, has been appointed agency director. The announcement, made at the convention at the Edgewater Beach Hotel in Chicago by H. W. Merriam, president, was received with enthusiasm. Mr. Abels has been with the Franklin more than 35 years, engaging in agency department work all of that time. He is a brother of Vice-President Henry Abels.

A companion announcement made at the same time was the appointment of Floyd Short as agency secretary. He has been with the company nine years as a member of the underwriting and new business departments, and has been active in promulgating studies in home office problems offered by the Life Office Management Association.

Morgan One of First Six to Get L. O. M. A. Fellowship

R. S. Morgan, assistant comptroller Continental American Life, has completed full requirements to become a fellow in the Life Office Management Association Institute and will receive his fellowship award in September, one of the first six to achieve this honor. He was graduated from Wharton School in 1927, starting with Continental American in 1928, first as cashier in the Philadelphia branch, then chief accountant in 1934, and assistant comptroller since 1936.

Other Continental American employees successful in the L. O. M. A. May examinations were: F. R. Thoroughgood, underwriting department; Harry Mayer, Jr., secretary's department; D. H. Warren, comptroller's department; D. C. Paterson, actuarial department, and E. Kathryn Tingle, secretary's department.

Confer with Carpenter

LOS ANGELES—Commissioners Robertson of Missouri, Pew of Iowa, Cochrane of Colorado and Sullivan of Washington were in Los Angeles last week in conference with Commissioner

tional Life of Minneapolis who qualify for and attend one of the annual fishing parties given on Basswood Lake by **O. J. Arnold**, president. Those inducted into full membership were O. W. Veth, Minneapolis, W. N. Stafford and Henry Schuh, Chicago; I. J. Barron, Iowa City, Iowa; Vernon Kroehle and E. G. Lawlor, Cleveland; Lee J. Gillis, Omaha; Carleton Cummings, Moscow, Ida., and Dr. Karl W. Anderson of Minneapolis, assistant medical director.

The fishing was excellent, according to reports brought back by members of the party, and although everyone caught plenty, top honors in size went to Henry Schuh of Chicago and to F. J. Seibel of Grand Rapids, Mich. Mr. Schuh brought in a 19-pound northern pike that led all fish caught, while Mr. Seibel hooked a 6½-pound wall-eyed pike to win first in that class.

Basswood Lake is on the international boundary between Minnesota and Ontario, and on one of its many islands near the ranger cabin used for the initiation Mr. Arnold has a summer cabin which served as headquarters for the fishing party. This year's group was the fifth to make the trip. Other members of the party were J. F. Groom, Wichita, Kan.; J. W. Jackman, Omaha; J. K. Rickard, Hutchinson, Kan.; E. A. Warren, Grand Rapids, Mich., and E. W. Zinn, Seattle.

Carpenter just previous to his resignation taking effect. They had an examination report to go over and desired Commissioner Carpenter's recommendation.

Southern Life of Georgia Enters Florida for Business

The Southern Life of Atlanta, Ga. has been licensed to write business in Florida and is in the process of establishing agencies and opening offices in the key cities of that state, according to an announcement made by E. M. Veatch, executive vice-president. This territorial expansion is in line with its development program. The Southern Life has heretofore been operating only in Georgia. "In view of the favorable conditions currently prevailing in Georgia and our neighboring state of Florida, we are planning an aggressive campaign for new business in our enlarged territories," said Mr. Veatch.

The Southern Life has now passed the \$3,000,000 mark in insurance in force and is rapidly forging to the front as an aggressive and growing southern company.

Sue Former Officials

A suit for \$101,646 was filed in common pleas court at Cincinnati by Superintendent Bowen of Ohio against three former officers of the Federal Union Life, Cincinnati, for sums alleged to be due the company on a number of mortgage note deals. The action names O. K. Jones, former vice-president and general counsel; C. E. Brotton, former secretary, and D. W. Craig, former treasurer, individually and collectively. John Blue, a Chicago note broker, is also involved in the deal and a suit against him is expected to be filed in Chicago. The company has been in the hands of the department since 1935, the business having been recently taken over by the All States Life, Montgomery, Ala.

Salary Continuance Boosts Sales

The agency force of the Security Mutual Life of Nebraska pledged General Manager Hyde that each would write at least one salary continuance application in June. The result was a larger volume of approved business than for the same month last year, with 24 fewer applications. Mr. Hyde said the month's experience justified a belief he has long held that such a presentation would increase the average volume per application, and also that with today's education for monthly income the farmer is almost as good a prospect for salary continuance sales as the salaried man in the cities.

Gen. R. E. Wood Made Director

General R. E. Wood, president of Sears, Roebuck & Co., Chicago, has been elected a director of the National Life of Vermont. This follows the election of L. W. Douglas, principal and vice-chancellor of Magill University and former director of the Bureau of the Budget of the United States, to a similar position. General Wood has long been a policyholder of the National Life.

Liquidate Thrift Certificates

LINCOLN, NEB.—Liquidation by the Lincoln Liberty Life of the 35,000 thrift certificates issued by the defunct Cosmopolitan Old Line Life is proceeding rapidly, according to reports to the insurance department. All holders are being paid the amount given in the table of values, which represent what they paid in, less overhead expenses, which were fixed at \$28 on every \$120 unit, and also a certificate entitling the holder to participate in earnings credited during the life of the certificate. As

these cash payments are about \$20 less than the holders paid in, some protests have come to the department from those who do not understand that they do not constitute final payments, necessitating considerable correspondence by the department.

Pilot Life Anniversary

In honor of its 35th anniversary, the Pilot Life is staging this month the most elaborate campaign in its history. The general plan of the campaign is prestige building for the company and its agents.

An "Anniversary" Club has been organized for those men who submit \$35,000 of business this month and a "35" Club has been formed for the first 35 men in submitted business—these men to be properly recognized in the home office and field. In addition, the name of every man who delivers business in the contest period will be properly inscribed, in order according to volume, on a parchment to be prominently displayed in the home office and to become a part of the permanent archives.

Sees Resigns as President

John V. Sees has resigned as president of the Rural Bankers Life of South Bend, Ind. Mr. Sees is also national secretary of the Standard Life Association of Kansas.

Dr. F. A. L. Mathewson of Winnipeg has been appointed assistant medical referee of the **Monarch Life** of that city.

MANAGERS ASSOCIATION

Katz Captures Honors

PORTLAND, ORE.—Elmer D. Katz, scored a 68 to capture medal honors at the annual Life Managers' Association golf tournament. E. F. Peterson registered the low gross score of 78. The largest number of birdies was secured by R. L. Sherwood of the Phoenix Mutual Life.

Teachers Agent Prospects

LINCOLN, NEB.—Several Nebraska life companies report an unusual number of applications for positions as agents from the ranks of school teachers. Inquiry showed the trend of teachers' salaries continues downward, not so much because of business and economic conditions, but because the supply is being greatly increased by state teachers and normal colleges. Lower salary schedules force male teachers into other lines, as they usually have families to support.

Wichita Managers Elect

The Wichita (Kan.) General Agents & Managers Association has disbanded for the summer following election of H. W. Laffer, Northwestern Mutual, as president; Harold Johnston, Columbus Mutual, vice-president, and Morris McCready, Massachusetts Mutual, secretary. Monthly meetings will be resumed in September upon call of President Laffer.

Companies Own Little S. D. Land

PIERRE, S. D.—At recent sessions of the legislature, the matter of moratoriums on mortgage foreclosures has been backed by the statement that "insurance companies own the real estate of South Dakota."

A recent survey made by the state planning board shows that insurance companies hold 4.85 percent of the real estate, private owners 60.6 percent and that publicly owned lands constitute 27.6 percent of the total holdings.

These figures hardly sustain the moratorium arguments.

LIFE AGENCY CHANGES

Woods Takes Hartford Post

Made General Agent There by Mutual Benefit Life, Succeeding W. H. Griswold

Hollis L. Woods, manager, has been appointed Hartford general agent of the Mutual Benefit Life to succeed W. H. Griswold, who retired last December after 37 years of service.

He has had ten years of highly successful life insurance experience, most



HOLLIS L. WOODS

of it in supervision and management work in Connecticut. After four years in other business fields, following his graduation in 1924 from Boston University, he entered life insurance in New York City with the Fraser agency of the Connecticut Mutual, which shortly afterward made him supervisor of its Bridgeport, Conn., office. He built the production of the office to more than \$1,000,000 his first year. Since 1930 he has been supervisor at New Haven of the Connecticut Mutual's Hartford agency.

He has served the New Haven Life Underwriters Association as director and president, organized the C. L. U. study group there, was chairman of the sales congress in 1936-37 and was national committeeman in 1936. He is now a director of the Connecticut state association. He was one of the organizers of the Connecticut Life Insurance & Trust Council.

Penn Mutual Life Names Person in Portland, Ore.

PORTLAND, ORE.—At an agency dinner here, Wallis Boileau, Jr., second vice-president Penn Mutual Life, announced the appointment of Horace H. Person as general agent, to succeed Seth B. Thompson, who has represented the company in that capacity for 15 years. Mr. Thompson will continue with the company as associate general agent. Mr. Person has been with the San Francisco agency for a number of years.

Allred with Beneficial Life

Wallace N. Allred has been appointed general agent in San Francisco for Beneficial Life with offices in the Central Tower building. He was formerly with Kansas City Life.

K. C., St. Louis Group Changes

Harold Himes, group manager in the D. M. Skinner agency of the Aetna Life in Kansas City for seven years, has been transferred to St. Louis in the same capacity. John C. Edwards, who has

been Mr. Himes's assistant several years, succeeds him. R. E. Jongewaard of Milwaukee will be Mr. Edwards's assistant.

Botten to Everett, Wash.

Einar N. Botten, a leading producer of the Seattle agency of the Prudential since 1929, has been placed in charge of northwest Washington territory with headquarters at Everett.

Steele Named at Niles

M. G. Steele, formerly of Detroit, has been appointed general agent for the Old Line Life of America at Niles, Mich. Mr. Steele has had wide experience in life, accident and health insurance, both in personal production and organization work.

Knight El Paso Manager

Thomas B. Knight, has been appointed manager of the El Paso, Tex., office of the Colorado Life. He has had 20 years experience in life insurance, part of it with Colorado Life in the same post at El Paso. His entire experience has been in the southwest.

Conn Moose Opens Office

Conn W. Moose, who has been appointed Nebraska state manager of the Occidental Life of Los Angeles, has established offices at 440 Electric building in Omaha. He was formerly Nebraska insurance commissioner.

Murphy Named Supervisor

Gordon H. Campbell, general agent Aetna Life, Little Rock, Ark., has appointed W. D. Murphy of Batesville district supervisor for northeast Arkansas.

J. B. McCutchan Appointed

Jerome B. McCutchan has been appointed general agent of the American

Florida Manager



ANGUS B. ROSBOROUGH

A. B. Rosborough, widely known Jacksonville, Fla. insurance man, has been appointed a general agent at that city, for the Massachusetts Mutual Life. He will expand the sales organization throughout the state. Florida was formerly included in the Savannah agency's territory.

Mr. Rosborough is a native of Jacksonville and received his elementary education there. Following his graduation from Princeton in 1922 he returned to Jacksonville, and for eight years was engaged in the general insurance business with his father, R. R. Rosborough. In 1930, he entered life insurance and since that time has been successful in personal production and in agency building.

Mr. Rosborough is a past chairman of the Managers' Association of Florida, and in 1936-7 was president of the Jacksonville Life Underwriters Association.

United Life at Bloomington, Ill. Mr. McCutchan has had quite an extended experience in insurance. He is spending his vacation at Gatlinburg, Tenn., in the "Smokies" before entering on his duties.

Midland Mutual Appointments

The Midland Mutual Life has appointed three new general agents, John E. Lark of Sunbury, Pa.; J. N. Marium, Jr., of Louisa, Ky., and Ivan N. Fuqua of Washington, D. C.

Opens Third Agency in Maine

Appointment of A. G. Eaton as general agent in Bangor, Me., by State Mutual Life makes the State Mutual's third agency in Maine. The agency in Houlton was set up earlier this year, and the company has had its office in Portland since 1883.

Slander Action Is Reinstated

The Louisiana supreme court has ordered reinstated an action against First National Life and its agent, Hill, for slander that was brought by an agent of Federal Health & Accident. The lower court had rendered judgment in favor of the defendant company. The case was Wisemore vs. First National Life.

Hill was calling upon the Dudleys to collect a premium and to persuade the family to buy additional insurance. Wisemore was in the Dudley house at that time. Dudley told Hill that he was going to let his First National contract lapse because he could get a better contract with Federal Health & Accident.

through Wisemore. Hill thereupon denounced Wisemore "as a thief" and threatened to beat him if he ever caught him at any of the homes or places of business where any of the regular customers of First National Life lived.

Such conduct upon the part of Hill, according to the Louisiana supreme court, while acting within the scope of his authority and in the performance of his duties as agent of First National Life, merely constituted a tortious act upon his part, which renders First National Life and Hill liable in solido for damages for the slanderous charges made against Wisemore.

July Is Peak Month for Deaths from Accidents

July is the peak month for loss of life through accidents, the Metropolitan Life reports in a special statistical bulletin. This means it is an especially good time to sell accident insurance. Over the entire country there were 381 persons killed daily on an average throughout July in accidents between 1934-1936. This is approximately 97 deaths each day more than the daily average for the three years as a whole. It is 78 deaths daily more than in August, the second highest month of the year, and 133 daily more than in March, which was the minimum among the 12 months.

July is the maximum not only for accidents generally, but also for death from drowning, falls, railroad and transportation accidents (exclusive of collisions with motor vehicles), from poison (exclusive of poisonous gas), from agricultural machinery, recreational machinery and from lightning.

"Our Supplemental Agreement Service has made the purpose of life insurance secure"



STATEMENT BY A
VICE PRESIDENT OF THE COMPANY

Route 4, York
Pennsylvania
June 11, 1938

The Mutual Benefit Life Insurance Company
Newark, New Jersey

Dear Sirs:

When my husband died eight years ago, it was a question in my mind whether I could keep my family of four children together, but the fact that I was receiving life insurance at the time caused me to try to keep the family intact.

We have also kept our home, and even made great improvements in it, until now we have the modern conveniences to help make life easier. Had it not been for the insurance our home would have been sold. Because of the income benefits I received from your company I have been able to give my children the things they needed and also the things they desired. We have always had a car to go wherever we wanted. We could live healthily with proper food and wise medical care, though it was seldom needed. I was able to give the children books and music for their cultural enjoyment.

This spring one of my children graduated from college and will go on to medical school next year. Another has completed her first year of college, and still another will begin college in the fall. It is thus through life insurance benefits that I have been able to keep my children and also to give them what they needed to fit them for life.

I cannot thank you enough for all you have made possible.

Most gratefully yours,

Mary M. P. H.

From an
Unsolicited
Letter

FOUNDED IN 1845

The Mutual Benefit
LIFE INSURANCE COMPANY
NEWARK, NEW JERSEY

LIFE SALES MEETINGS

Beneficial Forces Gather

Convention of Salt Lake Company
Enthusiastic Because It Follows
Month of Record Production

SALT LAKE CITY—The annual meeting of Beneficial Life is being held at the home office here this week with a qualified attendance of 150.

Enthusiasm is particularly high because the agency force in June produced a total of \$2,210,000, which was the largest month in the history of the company. Production in that month



VIRGIL H. SMITH

was in honor of Secretary Virgil H. Smith, who completed 25 years in the service of Beneficial Life that month.

A special meeting of general agents was held Tuesday with H. J. Syphus, superintendent of agents, presiding.

Commissioner Neslen Speaks

At the opening session Wednesday talks were made by G. J. Cannon, executive vice-president; Mayor Wallace of Salt Lake; President H. J. Grant; Ashby Thatcher, chief examiner for the Utah department, and Commissioner Neslen of Utah.

That afternoon a tour was conducted through the head office and recreational features were provided.

Among the speakers at other sessions were Dr. W. R. Calderwood, medical director; Ashby D. Boyle, general counsel; O. W. Adams, president American Bankers Association and a director of Beneficial Life, and Vice-president J. R. Clark, Jr.

The first prize awarded for production and conservation to be given at the annual convention was a trip to the National Association of Life Underwriters convention at Houston. The winners are Lyman S. Wood of the home office; Bennie Rosenbaum, Provo agency; F. N. Allen, Arizona agency, and Allen Cameron, general agent at Phoenix, Ariz.

Phoenix Mutual Life Holds Regional Sales Conferences

The Phoenix Mutual Life is holding several regional sales meetings. A mid-west gathering was held at Lake Wawasee, Ind., while another conference is being held for west coast agents on Catalina Island this week.

At the Lake Wawasee meeting President A. M. Collins and D. Gordon Hunter, vice-president and agency manager, headed the contingency from the home office, which included Albert H. Yost, vice-president and general counsel, and James A. Giffin, assistant agency manager. About 100 agents who qualified in an eight

month period were in attendance. Quality business, sales technique, motivation and selling life insurance under present day conditions were discussed. Sessions on two days were devoted to agents' problems and the managers also held a two day conference.

The Robert A. Judd agency of Chicago qualified nine men and the Oliver P. Kernodle agency of Chicago had five men present, three of whom exceeded their quota over 200 percent. The Kernodle agency is ahead 41 percent in production for the first six months.

Holds \$100,000 Club Rally

The Columbian Mutual Life of Memphis held a meeting of its \$100,000 Club at Biloxi, Miss. Home office men in attendance were George Clayton, president; T. A. Thrash, vice-president and agency manager, and Judge J. M. Stevens, Jackson, Miss., its attorney. The headline speaker was Commissioner Williams of Mississippi.

West Coast Life Convention

The West Coast Life's 1939 convention will be held in San Francisco Sept. 8-11. An elaborate program of sightseeing and visits to the World's Fair on Treasure Island is planned. All agents producing \$100,000 paid business in accordance with club rules will attend at

company expense; \$200,000 qualifies both agent and wife; additional production will qualify children, too.

Four-Day Rally in Providence

Agents of the Equitable Society in Rhode Island and adjoining Bristol county in Massachusetts held a four-day sales congress in the J. D. E. Jones, Jr., general agency in Providence. D. E. Mason from the home office conducted the conference, assisted by Mr. Jones.

Aetna Life Conventions

The dates for the Aetna Life regional meetings have been announced. The first will be at French Lick Springs, Ind., Aug. 18-21; the second at Lake Tahoe, Calif., from Aug. 29-Sept. 1; and the third at the Chateau Frontenac, Quebec, Sept. 11-14.

Southern Meet at Biloxi

The American United Life held a two-day meeting of southern agents in Biloxi, Miss., with 50 present.

Barney Pearson of Indianapolis and T. D. Samuels, southern supervisor, were in charge of the meeting.

Illinois Bankers Meeting

The annual agency meeting of the Illinois Bankers Life will be held at the Edgewater Beach Hotel, Aug. 29-31.

C. C. Tucker, general agent Central Life of Iowa, Wausau, Wis., was host to 40 northwestern Wisconsin agents at a sales meeting in Stevens Point, Wis.

NEWS ABOUT LIFE POLICIES

—BY J. H. RADER—

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

New Rate Book Being Issued

Changes Made by the United Life & Accident Are Related in the Announcement by Actuary Whiting

The new rate book of the United Life & Accident shows a readjustment of premiums, both up and down as well as some new contracts. D. B. Whiting, actuary, summarizes the changes in the following announcement:

"There are more increases in premiums than decreases although on a percentage basis the greatest increase is much smaller than the greatest decrease. The most important change is that the company will now issue its 'preferred risk' policy on the 20 payment as well as the ordinary life plan. The requirements for the 20 payment policy as to amount of insurance and type of applicant are the same as for the 'preferred risk' ordinary life, and this limitation has made it possible to issue this policy at very low rates. The company has added an endowment at age 85, 20 payment to take the place of the 'preferred risk' 20 payment for policies less than \$5,000 and for those applicants who are ineligible for the 'preferred risk' policy.

Comment on Policy Values

"Another addition is premium rates on single premium plans for ages 15 to 19 inclusive. In general the policy values remain unchanged although the policy values during the first 20 years on the 'preferred risk' ordinary life have been slightly decreased and the policy values on the life expectancy term have slightly increased where the term of the policy is for longer than 20 years. The policy values for the 'preferred risk' ordinary life are unchanged beyond the 19th year.

"In the juvenile section of the new rate book the company is quoting premium rates for endowments at age 65 continuous premiums and 20 payment

in place of endowments at age 85 continuous premiums and 20 payment. On all juvenile plans we are now quoting premium rates for the payor benefit with death only in addition to the regular benefit for death or disability of the original beneficiary.

Manual of Information

"The manual of information gives details on many changes in the practice with regard to substandard risks. In the manual we quote extra premiums for the various degrees of impairment instead of quoting the number of years to be added to the applicant's age. The section on occupational ratings has been completely revised and brought up to date. In the future, the company will consider applicants in substandard occupations on the non-medical basis but the company has the right to order an examination whenever that seems desirable."

Sample rates per \$1,000 are:

Age	Ref. Risk Life	Ref. Risk 20 Indem.	Trip. Ind. 85	Trip. Ind. 85	Trip. Ind. 20 P.	Trip. Ind. 20 P.	Trip. Ind. 20 P.	Trip. Ind. 20 P.
15	12.20	20.16	14.11	24.70	45.97	10.73		
20	13.48	21.76	15.80	26.93	46.51	11.53		
25	15.10	23.68	17.53	29.25	46.90	12.64		
30	17.19	26.02	20.31	31.83	47.28	13.91		
35	20.38	29.17	23.62	35.12	48.06	15.98		
40	24.70	33.43	28.05	39.29	49.56	18.64		
45	30.44	38.78	33.97	44.58	52.10	23.51		
50	38.10	45.58	41.90	51.12	56.17	29.56		
55	48.34	54.43	52.55	60.06	62.51	37.92		
60	62.17	66.33	68.24	72.18	72.26	50.80		
65	81.03							

Issues New Term to 65 Form

Security Mutual Life of Binghamton, N. Y., has issued a new term to 65 contract. Liberal conversion privileges are offered at the later ages. It may be issued to men aged 20 to 50 inclusive and to unmarried business women of the same ages. Waiver of premium benefits will not be issued to women above 40 years of age. The minimum amount to be issued will be \$2,500 and the maximum \$30,000. Cash values begin at the end of the third policy year but no loan

values are provided. Surplus will be distributed annually, beginning at the end of the second policy year.

Northwestern Mutual Change

New Annuity Rates Are on Basis Even More Conservative Than That of New Standard Table

Northwestern Mutual annuity rates, effective July 15, are on a basis even more conservative than that used for the new standard annuity table. Rates are quoted for ages from 40 to 85, inclusive and for male age 40, the Northwestern premium is \$23 higher than that provided by the new standard table, for a straight life annuity of \$100 annually. At age 85, the difference has decreased to only \$5.20. Instalment refund rates are quoted for age 42 and upward to age 85. The Northwestern new rates are approximately \$25 higher than the new standard table at all ages for this type of contract. Translated into annual income purchased by \$1,000, there is a difference of \$.51 per year in favor of the new standard table for straight life annuity at age 40, increasing to \$.218 per year at age 85. On the instalment refund annuity the advantage runs from \$.56 to \$.358.

Single Premium Immediate Annuity

(Life Annuity) (Refund Annuity)

	\$100 Annually	\$10 Monthly	Annual Annuity Purchased by \$1,000	Age*	\$100 Annually	\$10 Monthly	Annual Annuity Purchased by \$1,000
2,145	2,634	46.60	40	...	...	...	...
2,110	2,592	47.37	41	...	...	2,720	45.10
2,075	2,549	48.18	42	2,217	...	2,684	45.71
2,039	2,507	49.02	43	2,187	...	2,648	46.34
2,003	2,463	49.91	44	2,157	...	2,612	47.00
1,966	2,419	50.84	45	2,127	...	2,575	47.68
1,929	2,375	51.82	46	2,097	...	2,538	48.39
1,892	2,330	52.84	47	2,066	...	2,501	49.13
1,854	2,284	53.92	48	2,035	...	2,464	49.90
1,816	2,238	55.06	49	2,003	...	2,426	50.69
1,777	2,192	56.25	50	1,972	...	2,388	51.52
1,738	2,145	57.51	51	1,940	...	2,349	52.39
1,699	2,098	58.84	52	1,908	...	2,311	53.29
1,660	2,051	60.23	53	1,876	...	2,272	54.22
1,620	2,003	61.71	54	1,844	...	2,233	55.19
1,580	1,956	63.26	55	1,811	...	2,194	56.21
1,540	1,908	64.90	56	1,779	...	2,154	57.28
1,500	1,860	66.64	57	1,746	...	2,115	58.37
1,460	1,811	68.47	58	1,713	...	2,075	59.51
1,420	1,763	70.41	59	1,680	...	2,036	60.70
1,380	1,715	72.46	60	1,647	...	1,996	61.95
1,339	1,667	74.63	61	1,614	...	1,956	63.25
1,299	1,619	76.94	62	1,581	...	1,917	64.59
1,259	1,571	79.38	63	1,548	...	1,877	66.01
1,219	1,523	81.97	64	1,514	...	1,837	67.49
1,180	1,475	84.73	65	1,481	...	1,798	69.01
1,140	1,428	87.65	66	1,448	...	1,758	70.63
1,101	1,381	90.76	67	1,415	...	1,719	72.30
1,063	1,335	94.07	68	1,383	...	1,680	74.04
1,024	1,288	97.59	69	1,350	...	1,640	75.83
986	1,243	101.35	70	1,317	...	1,601	77.73
949	1,198	105.36	71	1,285	...	1,563	79.77
912	1,153	109.64	72	1,253	...	1,525	81.86
875	1,110	114.22	73	1,221	...	1,487	84.05
839	1,066	119.10	74	1,189	...	1,449	86.31
804	1,024	124.33	75	1,158	...	1,412	88.69
769	982	129.93	76	1,127	...	1,375	91.20
735	942	135.94	77	1,096	...	1,339	93.77
702	902	142.38	78	1,066	...	1,303	96.48
669	863	149.29	79	1,036	...	1,267	99.36
638	825	156.73	80	1,006	...	1,232	102.30
606	787	164.77	81	977	...	1,198	105.38
576	751	173.40	82	948	...	1,163	108.66
547	716	182.71	83	920	...	1,128	112.06
518	681	192.75	84	892	...	1,097	115.55
491	648	203.62	85	865	...	...	...

*Age last birthday. These rates for males. For females use rate five years older than for males, i. e., age 45 female rate is same as age 40 male rate.

Sun Life Annuity Increase

Adopts U. S. Standard Scale—Canadian Companies Reported Working on Revision Plan

The Sun Life of Canada has increased single premium annuity rates to the standard scale adopted by many American companies, and it is believed so far is the only Canadian life company to take this action. This was done, Actuary G. W. Bourke explained in a bulletin to the field force, because expectation of life of annuitants continues to become progressively higher. This results in insurance companies having to make more annuity payments and consequently in

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the increased cost of annuities to the companies. Underlying interest and expense factors used in calculating the rates will remain unchanged but the lower mortality assumed results in a rate increase. The change went in effect July 15. (July 28 in Hawaii).

Extent of increase in rates for ordinary immediate annuities of \$100 annual income is indicated by the table:

Age	Male		Female	
	New	Old	New	Old
40	\$2,123	\$1,983	\$2,287	\$2,109
50	1,759	1,635	1,946	1,779
60	1,365	1,259	1,564	1,411
70	976	892	1,168	1,035
80	631	575	796	693

Single premiums for forms of annuities not listed in the manual also were increased. Limits for single premium annuities announced last October remain unchanged.

Confer on Revision

The majority of Canadian companies are not actively interested in business in the United States and feel that for what annuity business they receive they should have an identical rate for Canada and the United States. The Sun Life, however, is in a different position and for years has had different rates in the two countries. The rates in Canada are influenced by purely Canadian conditions, particularly prevailing rates of interest on new investments, which are somewhat higher than in the United States. The attitude of Canadian companies also is influenced by the rates of the Canadian government.

It is the belief of some life company executives that the general level of annuity rates in Canada needs revision, and Canadian companies are said to be working to this end. A tentative basis was considered at a meeting recently, and the negotiations are continuing. It is expected that before many weeks elapse a new basis will be decided upon and the Sun Life will then undoubtedly adopt such basis for its Canadian business.

Extends Clause to Infants

The Home Life of Philadelphia has extended its double indemnity clause to children ages 6-9 on the same premium basis as now in effect on ages 10-55. The triple indemnity benefit will be put in effect only when the child reaches attained age 9.

RECORDS

Connecticut Mutual—In commenting on the six months' figures, Secretary H. H. Steiner says, "The record which life insurance established during the depression years of 1930-34 is being reflected in the figures of the Connecticut Mutual for the first half of 1938. For many decades life insurance was definitely established in the public mind as a bulwark of safety for purposes of protection, but during the depression period of 1930-34 the public learned to know that life insurance has another, and very valuable, side, that is, as a financial back-log in a period of great adversity. During the emergency many thousands of policyholders found their life insurance policies constituted a ready reservoir of emergency funds and literally billions of dollars were paid out by life insurance companies to meet cash emergencies during those critical years. Today the American people are making sacrifices in order to keep their life insurance intact. This is evidenced by the fact that the Connecticut Mutual continues to make steady gains in insurance in force. "Further evidence that policyholders are determined to keep their life insurance ready for emergencies is the fact that many of those who borrowed in the past are endeavoring through repayments to reestablish the full emergency value of their policies," says Mr. Steiner. "Loan repayments in cash to the Connecticut Mutual for the first six months of 1938 amounted to over \$1,000,000."

Mr. Steiner points out that although new business for the first six months of

this year of \$44,035,704 is down 11.6 percent, a relatively small amount of terminations has resulted in a net increase of insurance in force of \$14,006,344 since the first of the year. This is the 38th consecutive month in which the company has registered an increase in insurance in force. The present grand total of \$993,147,412 is a record high.

Central Life of Illinois—New high in production in June with the largest volume of business written in any one month during the last five years. June was "President's Month"; all business was produced in honor of President Alfred MacArthur's birthday anniversary.

Business Men's Assurance—June was a record month in number of applications received and policies issued, 1,828, which is the largest number issued since January, 1932. The company also reported an increase in paid production compared to June, 1937.

United States Life—Reports that the steady gains in volume of new business regularly found since its reorganization in the fall of 1936 have continued, with an increase of 34.9 percent in ordinary new paid business for the first six months over the first half of 1937, the total of all forms of business written during the period showing a 27.3 percent increase.

Rockford Life—In spite of the economic conditions and the decline in general of life insurance sales, it has shown a gain in new business of slightly over 20 percent for the first six months as compared with 1937. The management is confident that the present conditions are only temporary and are building on the hope that when the improvement does come, it will be in a position to take advantage of it.

Great-West Life—New business the first six months was substantially in excess of last year and showed an increase of more than \$2,500,000 compared with the average for the past six years. Gains in business in force averaged more than \$1,000,000 a month for the year to date, with the total now standing at approximately \$596,000,000.

Security Mutual, Neb.—June production of \$484,000 exceeded quota set. Production for the first half year was \$2,500,000, compared with \$2,600,000 for the same period last year.

Great Southern Life—Reports that last month was the best June in its history with \$4,389,018 produced and the largest single month since March, 1930. The best single day's figure was \$494,652 in applications. On June 15, applications totaled \$476,306.

Phineas Prouty, Jr., Connecticut Mutual, Los Angeles—Led all the Pacific Coast agencies for the first six months in volume of business and also for conservation and persistency of business. L. A. Collins, manager Long Beach branch, is leader in paid-for life business.

Zeno C. Yates, Kansas City, Acacia Mutual Life—June paid-for business increased 18 percent over a record-breaking June in 1937. Finished first six months of 1938 with a 9 percent increase in a campaign which ran for six months in honor of members of the William Montgomery Quality Club. Net gain in insurance in force was 19 percent.

During the six months' period, Manager Yates' time was at the disposal of each agent in soliciting and closing business. June was designated as agents month.

Murrell Brothers, Mutual Benefit Life, Los Angeles—Report gain of 38 percent in paid business for the first half of 1938.

M. H. Casey, Equitable Society, San Francisco—Production from June 1 to July 2 totaled \$3,651,099. Daily meetings were held during the period and the goal was set at \$2,750,000. In the last week 94 agents produced 210 applications for \$1,337,197.

W. R. Chapman, assistant director of agencies Northwestern Mutual Life, has been reelected treasurer of the school board of the Milwaukee suburban gold-coast village of Fox Point. Frank Giloth of the Stamm general agency of Northwestern Mutual was elected a director.

BUILDING for the FUTURE

with this ABLE ORGANIZATION

BUILDING for the future through the successful building of men in its agency organization has constantly been the aim of the Indianapolis Life Insurance Company.

The record of accomplishment of the Indianapolis Life Insurance Company during its 33 years in business is a story of progress and stability. Capable men who write quality business have a splendid future with this organization whose guiding principle is "Quality, Service, and Safety, First."

Agency opportunities in sections of
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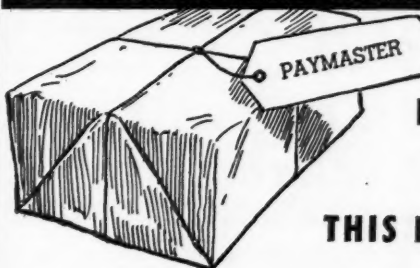
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Edward B. Raub, President

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The PAYMASTER PLAN of packaged insurance selling makes sales easier to a greater number of people. What's more it provides the agent an opportunity to immediately "jump to the front" in his territory. Our proven "sales-getter" literature also closes prospects without and numerous "call-backs." Ask for your copy of the PAYMASTER PLAN, along with case records. It's FREE!

Address—James A. Preston—Sales Manager.

The COLUMBUS Mutual Life
INSURANCE COMPANY
Columbus, Ohio

NEWS OF LIFE ASSOCIATIONS

Chicago Association Is Compact Operating Unit

The Chicago Association of Life Underwriters, which recently achieved a record membership of 1,655, is the only association in the country the executive management of which embraces practically all local life insurance activities under one operating unit. The women's division of the Chicago association, the C.L.U. chapter, general agents and managers division and the Life Insurance Trust Council are primarily managed in the executive offices of the Chicago association, of which Miss Joy M. Luidens is executive secretary. All of the affairs of the various associations as to records, meeting dates, speakers' arrangements, etc., are centered in Miss Luidens' office and under her direction. This gives a centralization of bookkeeping and all other factors which allow the various groups to operate efficiently and with a minimum of expense. It is also responsible for the Chicago association having such a large membership, inasmuch as membership in a central body is looked

upon as a necessity by members of the individual groups. The Life Insurance Supervisors are the only organization not coming under the Chicago association's management. This organization keeps its own records, although requiring its members first to become members of the Chicago association before they can be enrolled as members of that body.

Indiana State Meeting

The Indiana State Association of Life Underwriters held its annual outing and conference meeting at the cottage of President Homer L. Rogers on the shores of Lake Maxinkuckee, Indiana. At the business session, an amendment to the bylaws was adopted changing the board of directors from five to eleven and under this plan the board will be made up of one representative from each of the 11 affiliated local associations.

Emmet E. Smith of the Standard Life, Indianapolis, was elected chairman of the board. Other officers elected are: President, H. L. Rogers, manager of the Equitable Society, Indianapolis; vice-president and secretary, William Klusmeier, manager Western & Southern Life, South Bend; executive secretary-treasurer, F. P. Huston, Insurance R. & R. Service, Indianapolis; legislative counsel, H. A. Luckey, Indianapolis.

Among the invited guests were George Newbauer, insurance commissioner, and John Cramer, chief deputy. Both addressed the meeting.

Joint Meeting in Wichita

The Wichita Insurors and Wichita Life Underwriters Association held a joint meeting this week with Commissioner Hobbs of Kansas, Republican candidate for renomination, as guest speaker. A number of business leaders were also guests.

Plan Twin States Convention

AUGUSTA, GA.—Plans for a convention of the Twin-States Life Underwriters Association to be held here Oct. 20-21, were drafted at a meeting of the Augusta Association of Life Underwriters. Douglas B. Horne, president of the local association, says about 400 life insurance men from the two Carolinas and Georgia will attend. A general sales conference conducted by nationally known speakers will be held.

Columbus, O.—R. K. Zimmer, the new president, has named V. C. Smith chairman of the committee to put on the sales congress in Columbus next March. Charles W. Griffith will have charge of the fall seminar.

Ohio—Vernon Kroehle, Cleveland, the new president, has announced the appointment of Ralph W. Hoyer of Columbus as secretary. Homer Trantham of Columbus is the executive secretary.

Dayton, O.—T. A. Lind is the new president; D. S. McPherson, vice-president; Louis Kratzer, secretary.

San Francisco—Members of the Quarter Million Round Table of the San Francisco association are enjoying an all-day "Merry-Go-Round-Table" at Sonoma Mission Inn Friday. E. E. Bingham, Union Central Life, is chairman. Golf and other sports will be followed by a dinner.

Mrs. Mary M. Bradley, California-Western States Life, has been named chairman of the woman's committee and a director of the association.

Panhandle (Neb.)—A new association, including a number of towns in the extreme southwestern part of Nebraska, has been organized, with headquarters at Scottsbluff in charge of Secretary Paul Schlichteimer, general agent Security Mutual Life of Nebraska.

Pensacola, Fla.—For the first time in history all association officers were re-elected. Morris Levy, Penn Mutual, is president; A. V. Hatton, Metropolitan

Life, vice-president, and Roy McKenzie, secretary-treasurer. J. C. McLendon of the Reliance Life home office said his company's most successful agents are members of life underwriters associations and urged every agent to belong. Talks were made by Knowles Hyer, Mr. Hatton, W. W. Sherman and Mr. Levy.

Wichita, Kan.—New officers were installed at the annual outing, including E. H. Watson, Mutual Life of N. Y., president; L. B. Rymph, Aetna Life, vice-president, and Don Mitchell, New York Life, secretary. Directors include J. M. Caldwell, Aetna Life, retiring president; Leo Porter, Lincoln National; R. G. Cunningham, Metropolitan; Wilbur Loveland, Equitable of Iowa; L. B. Brown, Travelers; Elmer Moore, New York Life. In the golf tournament, Clayton Mammell, Farmers & Bankers, was low and L. B. Brown was credited with the most strokes.

Portland, Ore.—John N. Adams, general agent Aetna Life, is the new president; L. J. Beaucage, Equitable of Iowa, vice-president, and S. R. Strong, State Mutual Life, secretary-treasurer. New directors are Mr. Adams, A. F. Parker, New England Mutual Life; Mr. Strong, G. A. Knutsen, Mutual of New York, and W. B. Coombs, Northwestern National.

Colorado—The first meeting will be held on notice of election of presidents by the three local organizations which make up the state association. These presidents automatically will become vice-presidents. A. T. Severs, state secretary-treasurer, is compiling a membership list and plans for round-robin meetings in Pueblo, Colorado Springs, Denver and Greeley.

New Mexico—New officers are: President, G. S. Bryan, Prudential; vice-president, Frank Darrow, New York Life; second vice-president, H. S. Cave, Northwestern Mutual; third vice-president, H. C. McFadden, Western American Life; secretary-treasurer, J. H. Kirkpatrick, New York Life; directors, Arthur Sisk, New York Life; G. A. Demeter, Northwestern Mutual; W. J. Erbe, Equitable Society, and Roy C. McDonald, Mutual Life.

NEW YORK

Litigates Insurance Issued After Maximum Age

The United States district court for the southern district of New York has denied the motion to dismiss an action brought by Columbian National Life to invalidate the insurance issued to a woman at a time when she was beyond the age at which Columbian National issues the insurance. At that time the assured had stated her age to be 54 when as a matter of fact she was 62. The case was Columbian National Life vs. Benesowitz et al.

The court observed that if the insured had been of insurable age and had merely understated her age to obtain more insurance for the same premium, she would have been compelled, by reformation of the policy, to give up the amount of insurance in excess of what she was entitled to for the premium paid at her true age. Similarly, since the assured was beyond the insurable age, the insurance to which she was not entitled should be canceled, and, as the premium paid could not be applied on the purchase of any insurance on her life, full justice will be done by requiring the repayment to her of the premium with interest, after deducting any loans with adjustment.

Although Columbian National was not permitted voluntarily to issue any insurance to the assured at her true age, it may well be that the policy having been delivered, and the premiums accepted, the insurance can be readjusted to accord with rates at her true age. Even though Columbian National and other insurers may have no rates applicable to such age, perhaps on the trial, by the testimony of experts, it could be shown that rates can be calculated for her age. On the trial the Columbian National could establish the fact and demand

the release which may be determined to be warranted by the facts. The motion to dismiss the complaint is denied.

De Long Again Ahead for June

The C. E. De Long Agency of the Mutual Benefit Life in New York City paid for \$1,125,050 in June as against \$1,100,500 for June, 1937. This is the sixth consecutive month in which the agency has shown a gain over the corresponding month of last year. For the first half year the agency paid for \$7,500,203 as against \$6,850,250.

Neikrug Production Manager

Lewis M. Neikrug becomes production manager in the M. J. Lauer agency of the Continental American Life in New York City. He has been in the business since 1930, and in three years became a unit manager, making exceptional records for unit production. He has been active in the Life Supervisors Association and Life Underwriters Association of New York. The Lauer agency, headed by M. J. Lauer, general agent, and S. B. Sapirstein, associate general agent, led all Continental American agencies in 1937.

Thomas Shifted to Pueblo

Superintendent C. W. Wilson of the Prudential at Pueblo, Colo., has retired from active service, being succeeded by Superintendent A. E. Thomas of Kansas City, Mo., No. 1.

My Family
will get
\$100
a month



• "Yes, my income—or at least part of it—will continue month after month for five full years beyond my lifetime! In addition, my family will receive a substantial sum in cash—to cover emergency expenses and urgent debts."

• **WELL PLANNED APPROACHES, SALES TALKS, CLOSURES . . . AND A MODERN LINE OF POLICIES TO FIT TODAY'S NEEDS . . . ASSIST OLD LINE LIFE AGENTS IN PROFITABLE SELLING.**

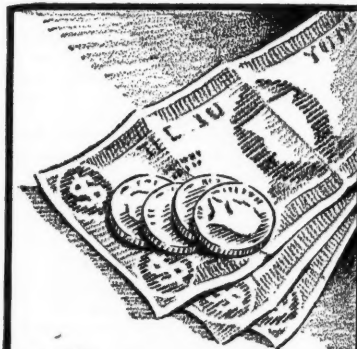
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• **Inquire Now About Agency Openings Available in: Illinois, Iowa, Michigan, Minnesota, Wisconsin.**

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Insurance Company of America

MILWAUKEE, WISCONSIN

Life—Accident—Health



**All you earn
is yours in
Central States**

We believe in the old-fashioned principle of giving all the commission to the man who makes the sale.

**NO SUPERFICIAL
MIDDLEMEN**

WHY NOT WRITE

J. DeWitt Mills, Vice-Pres.,
for complete information.
Good territory available in
Mo., Ark., Okla., Texas,
Neb., Colo., Utah, Wyo.,
Calif. and Florida.

CENTRAL STATES
LIFE INSURANCE COMPANY
ST. LOUIS, MO. ALFRED FAIRBANK, PRES.

AS SEEN FROM CHICAGO

BRUCE PARSONS AGENCY OUTING

The agents in the Bruce Parsons agency of the Mutual Benefit Life in Chicago entertained the manager Tuesday at the Briargate Country Club in a golf and outdoor sports outing, ending with a dinner in the evening. Norman E. Anderson, leader in the agency, was toastmaster and talks were given by a number of the men and Mr. Parsons. Mr. Anderson, James Crowley, Ralph McCaskey and G. W. Greer constituted the arrangements committee with Mr. Crowley in immediate charge.

The agents conducted a "Parsons Week," engaging in a 10 day canvass resulting in 57 lives and \$283,800. Mr. Parsons was greatly impressed with the efforts in his behalf.

CONTINENTAL ASSURANCE OUTING

The Insurance Exchange branch of the Continental Assurance in Chicago held its annual outing at Rolling Green country club northwest of the city with 43 attending. H. A. Glasgow, vice-president, was toastmaster at the dinner. Those attending from the home office included W. E. White, vice-president; Ross E. Moyer, vice-president and actuary; R. J. Campbell, chief life underwriter, and Marshall Simms, assistant superintendent of agencies.

PLAN ROYER AGENCY CONFERENCE

J. M. Royer, Chicago general agent Penn Mutual, will be host to his agents at an educational conference and outing at Lawsonia, Green Lake, Wis., Aug. 5-7. Two home office officials will attend, Warner F. Haldeman, associate counsel, and W. J. Nenner, assistant agency vice-president. The Royer agency led the other Chicago general agents of the Penn Mutual in paid production during June and is maintaining production satisfactorily so far this year.

MORRELL STILL A MILLIONAIRE

John Morrell of the Lustgarten agency in Chicago has qualified for the 1938 million dollar corps of the Equitable Society, the first agent of the company to reach the mark during the half year period. This is the 13th consecutive year in which he has paid for \$1,000,000 of insurance. In three of the 13 years he paid for over \$2,000,000 and in two, for more than \$3,000,000.

YOUNG & CO. SHOW GAIN

J. E. Young & Co., which has represented the Franklin Life in Chicago for three years, has rapidly been increasing production through the acquisition of new agents. The agency has recently added four new men to its staff and completed an intensive six weeks training course, supplemented by the company's own correspondence course which is an educational program done up in loose leaf form known as "Franklin Facts."

Mr. Young, a member of the Quarter Million Club, conducts an agency meeting each Saturday morning, at which time selling problems are discussed along with questions arising from the correspondence course. At luncheon Mr. Young acts as host. Prior to joining the Franklin Life he was with the Rockwood Company and John Hancock in Chicago.

LAMB AGENCY RANKS SECOND

The Edmund E. Lamb agency in Chicago ranked second in paid for business among all Columbian National Life agencies in June. A total of 38 life applications were turned in during the month, along with 48 accident applications. The agency stood well near the top during the six months period and is succeeding in its desire to maintain a good production during the summer months when business generally is inclined to lag. The Columbian National is seeking to stimulate production

through its new organization, "Seven League Club," with qualification running over a seven week period, starting July 18. Members of the agency hope to win some of the official positions in the organization which automatically go to the top qualifiers, the minimum being an "app-a-week."

BUDINGER AGENCY HONORS ABELS

Some time ago 11 members of the F. J. Budinger agency Franklin Life in Chicago crawled out of bed at 4 a. m. got into their cars and drove to the company's home office at Springfield, Ill. They proceeded to the office of James Abels, assistant treasurer, to deliver 43 applications for \$100,622 written during a four-day campaign in honor of his 35th year with the Franklin Life. They aimed at 35 applications, one for each year, but overshot their mark. Members of the agency lunched with 11 home office officials. This week Mr. Abels presented awards and made an address at the company's annual convention held at the Edgewater Beach Hotel in Chicago.

DINNER GIVEN PAUL W. COOK

The agents of the Paul W. Cook agency of the Mutual Benefit Life in Chicago tendered him a complimentary dinner Tuesday evening in honor of his first year as a general agent and also his 39th birthday anniversary. A committee from the office handled all the details and the dinner was in the nature of a surprise party. Sam Fleager acted as toastmaster and did the work in magnificent style. A telegram came from President J. R. Hardin of the Mutual Benefit and a letter came from A. A. Drew, former Chicago general agent who is rusticated at his summer home in Maine, and who brought Mr. Cook into the business. The committee invited a group of policyholders that Mr. Cook had serviced for some time, two of them speaking, they being Vice-president Guy E. Read of the Harris Trust & Savings Bank of Chicago and Vice-President Roy L. James of Libby, McNeill & Libby. Mr. Read gave some practical advice to the younger men, especially as to what is expected of them on the job. Mr. James devoted his talk largely to the human element in business. He stated that he had found that many successful men possessed a strong sense of humor. He believes in high executives maintaining a democratic and cordial attitude to people all along the line. He said, for instance, that his door was always open. He took the position that the world is taking itself too seriously and there is need for a lighter touch.

Among other policyholder guests introduced were Harry McCreight, vice-president City National Bank; Warren Piper, the jeweler; N. P. Zech, Midwest Utilities Company; Herbert Hedman, head of the Hedman Manufacturing Company; Harold Eckart, secretary Harris Trust & Savings Bank, and E. H. McDermott, well known tax attorney and William Welsh of the investment firm of Welsh & Green.

It was announced that the agency rounded out its first year with just a shade below \$4,000,000 of paid for business, the exact figure being \$3,950,000. The music for the occasion was furnished by William Ruminer and Fred Morris, two of the agents, and Mrs. Paul Cook. Art Cutler, one of the office men who is an expert magician, gave some samples of his art. William Allen read a poem that had been composed for the occasion entitled, "Soup for the Cook." Fred Roker, agency leader in production, was introduced. C. M. Cartwright of THE NATIONAL UNDERWRITER was a speaker.

G. Franklin Ream, assistant superintendent of agencies, gave a talk in which he spoke of the opportunities for young ambitious men being associated with a

Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)

No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

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"THE SUN NEVER SETS ON AN UNPAID CLAIM"

WHY? THE COLUMBIA LIFE INSURANCE CO. CINCINNATI, OHIO BECAUSE

We issue

- Participating and Non-Participating Monthly Premiums, if desired.
- Juvenile Insurance, one day up.
- Annual Renewable Term.
- Special Ordinary Life, \$2,500 minimum.
- Family Income, \$2,500 minimum.
- 20 Pay Life Coupon Policies.
- 20 Year Endowment Coupon Policies.
- Single Premium, Ordinary, 20 and 30 Year Endowment.
- All Standard Forms of Policies.
- Home Office Helps and Supervision.
- Direct Mail Advertising.
- Liberal Commission Contracts.
- Long Time Renewals.

Agencies open in

OHIO—INDIANA—KENTUCKY

write

William H. West, Superintendent of Agents
Cincinnati, Ohio

good company and an excellent agency. There is plenty of room, he said, for forward looking young men. He paid his respects to the C.L.U., saying that it had established high standards for qualification and has given a definite fraternity inside the insurance organization. Men who qualify for it, he said, can contribute much to the organization and he designated it as the most compelling attraction for ambitious young men.

A. E. Ingersoll, manager of the Mutual Benefit service office, in a humorous way presented Mr. Cook and paid a tribute to him.

Mr. Cook in acknowledging the sentiment of the hour said that he was seeking men in his organization who keep their heads above the crowd. The only crowded place in life insurance production, he said, is at the bottom.

TUNE IS BEING CHANGED

The Chicago manager of a progressive company says that he has changed his machinery considerably owing to the present conditions. In his opinion, there will be but few big estates created owing to the heavy toll of tax. He doubts very much whether large incomes will prevail because taxes will eat a goodly part of it away. There is very little satisfaction in a man's getting \$100,000 a year if the tax penalty robs him of a large portion.

Therefore, in this manager's opinion, the question confronting every conscientious man is judicious spending. That is, it does not pay a man to accumulate large sums because of the tax penalties imposed. He cannot pass on an estate of any consequence of a material nature for the same reason. Taxes are everywhere apparent. This is particularly true with the larger incomes and estates. Therefore, in the opinion of this manager a person will map out a plan of spending that will be sane and logical. He will see that life insurance is his best bulwark of safety for his family. Regardless of the fact that taxes will deprive him of so much of his material possessions, he still can throw protection about his family by means of life insurance. That will be his main

stay, in the opinion of this manager. Therefore, rather than have so much attention given to estate analysis, programming and laying out of an extensive schedule, this manager is turning to the sob story appeal and is pulling the hearse up to the door. Insurance, he says, will be sold in smaller units. His agents, he finds, are selling policies up to \$15,000. They are contacting people with smaller and moderate incomes. It is the big writers, in his opinion, that are suffering. He is training his men along emotional lines. It is the old appeal of the amount that a man will leave to his dependents in case that death overtakes him. What can he expect to accomplish by purchasing stocks, bonds and other possessions when so much of his income is taken away? In his opinion, families will see that it is useless to strive to develop large estates but they will see the logic of having a substantial bulwark of life insurance protection in case of death.

TAX EXPERTS ARE FEW

There are not very many men who can speak authoritatively and accurately on tax matters and the application of life insurance to problems of that nature. This is due to the fact that there are many changes, many rulings, new statutes, new interpretations. It is difficult to keep in alignment with the true situation. Life insurance can be applied to solving or at least ameliorating some of the tax problems. A number of agents have been successful in writing insurance with this in mind. A person must be sure of himself and possess accurate knowledge or his counsel will be worthless and often injurious. Some who have tried to work out problems in connection with taxes and life insurance now seek the advice of experts rather than take a chance themselves.

W. F. CRAWFORD IS HONORED

William F. Crawford, a personal producer in the A. R. Crawford agency Equitable of Iowa in Chicago, was given special recognition at the company's annual convention in Hot Springs, being admitted into the hall of honor. Mr. Crawford was awarded a handsome

watch for preeminence in production, conservation, length of service and average policy size. One agent each year is given this honor. He has represented the Equitable of Iowa for 26 years, starting in Pittsburgh and later going to Chicago where he was made a general agent. For a time he was associated with his brother as a co-general agent in the Crawford & Crawford agency. He now devotes his entire time to personal production. In 1936 he won the office of secretary in the President's Club, which automatically goes to the third highest producer in the company, the presidency and vice-presidency going to the top ranking and second ranking producers. He has qualified for the Presidents Club for many years. Mr. Crawford's average policy size last year was \$5,000.

LIFE LAWYERS PROGRAM

President L. A. Stebbins of the Chicago Life Insurance Lawyers Club announces the program for the next season, the first dinner to be the evening of Sept. 13. The meetings will be held at the Brevoort Hotel in Chicago, starting at 6 p.m. President Stebbins announces that insurance lawyers out of town, happening to be in the city, are invited to attend the meetings. The program is as follows:

Sept. 13—Paper, L. F. Binkley; story, R. F. Baird, Lincoln National Life, Ft. Wayne, Ind.; current decisions, Paul G. Annes.

Oct. 11—Paper, J. W. French; story, A. W. Fulton; current decisions, F. X. Brickley.

Nov. 8—Paper, H. B. Goldstein; story, A. F. Gruenwald; current decisions, L. N. Blumenthal.

Dec. 13—Paper, Paul E. Price; story, D. J. Kadyk; current decisions, Oscar Haney, Hammond, Ind.

Jan. 10—Paper, J. F. Kutak; story, Tom Leeming; current decisions, S. R. Clark.

Feb. 14—Paper, B. P. Sears; story, A. S. Lytton; current decisions, A. A. McKinley.

March 14—Paper, M. G. Seeley; story, William McKinley; current decisions, T. J. Finnegan.

April 11—Paper, Owen Rall; story, Col. C. B. Robbins; current decisions, G. G. Roberson.

May 9—Paper, D. T. Winder, "Insurance Laws and Insurance Lawyers"; story, D. A. Watts, current decisions, W. W. Ross, Jr.

Midland Mutual on a Cruise

Will Hold Its 32nd Anniversary Convention on Board the "South American" for Great Lakes Trip

Some 150 representatives including officials and wives will attend the 32nd anniversary convention of the Midland Mutual Life of Columbus, Ohio. It will be a one week's cruise around the Great Lakes on the S. S. "South American."

A party of 100 will board at Cleveland, leaving midnight July 30. A second party of 50 will board the boat at Detroit the next morning.

All representatives taking the cruise have qualified by meeting production requirements. The convention sessions will be held on the boat daily.

Six Months Returns

The Midland Mutual reports paid for production for the first six months amounting to \$5,000,000 compared with \$6,250,000 for the same period last year. Net gain in insurance in force for the first half of 1938 is \$1,388,000, compared with \$2,411,000 for the same period last year.

H. D. P. Thomas of Dover, Ohio, a member of the Tice & Jeffers home office agency of the Midland Mutual, has been elected president of the Leaders Club by being the largest producer not previously elected president. J. R. Campbell, general agent at Parkersburg, W. Va., is vice-president.

H. J. Plack, general agent at Peoria, Ill., was the largest producer last year, but the rules of the club provide that the president cannot succeed himself. Mr. Plack was president last year.

Mistrial Declared in Case Against Texas Operators

A mistrial has been declared in connection with the prosecution before the federal court at Shreveport, La., of a number of operators of "benefit" and "protective" associations, charged with using the mails to defraud. The jury, after 72 hours deliberation, reported that it could not agree. A mistrial was declared and a new trial ordered at the beginning of the October term.

"I have received information which leads me to believe that your decision in this case," Judge Dawkins told the jury, "was not the result of honest consideration." The court directed the assistant United States district attorney and a post office inspector to question the jurors behind closed doors.

Those on trial were T. L. Morris, L. H. Morris, M. N. Morris and R. C. McCoy, all of Shreveport; H. R. O'Gwin, Z. B. Freeman and J. L. F. Beasley of Dallas and American Benefit Association, Southern Protective Union, Guardian Benefit Association, Imperial Protective Union and Imperial Life Insurance Company.

Ninety-six witnesses were called by the government. E. B. Fackler, consulting actuary of New York, was retained by the department of justice as an actuarial expert in connection with the case.

Consolidate K. C. Offices

The D. M. Skinner general agency of the Aetna Life in Kansas City will consolidate its offices with those of the Aetna Casualty & Surety branch office in the Dierks building about Aug. 1. Mr. Skinner's offices have been in the Rialto building for more than 20 years.

With the move, Mr. Skinner will establish an "outside general agency," with Kiah Warden, formerly with the Connecticut General Life, as supervisor. R. C. Skinner, Mr. Skinner's son, and A. L. Rust will continue as assistant general agents.

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 64 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

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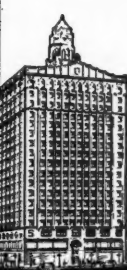
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STANDARD

OF

COMPARISON

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● The Equitable Life of Iowa issues both participating and non-participating life policies; annuity contracts; and "man-sized" life policies for juveniles from date of birth to age 10.

EQUITABLE

LIFE INSURANCE COMPANY

OF IOWA

HOME OFFICE DES MOINES

LEGAL RESERVE FRATERNALS

Study Educational Projects

Fraternalists Seeking to Improve Level of Representation — N. F. C. Meeting Plans

Plans for the annual meeting of the National Fraternal Congress next month in the Royal York Hotel, Toronto, call for an executive committee meeting to be held Saturday, Aug. 20, preceding the convention week. The Fraternal Field Managers Association will hold its annual meeting Sunday. The various sections will convene Monday, Aug. 22. These include the presidents, secretaries, press, actuarial, medical and state congresses, and law sections. General sessions will be held throughout Tuesday, Wednesday and Thursday, with Mrs. Dora Alexander Talley, head of the Woodman Circle, Omaha, the N. F. C. president, presiding. Mrs. Talley is personally handling preparation of the general sessions program, which as yet is incomplete. The section programs also are in process, but will be announced soon. It is expected many delegates will arrive early so as to attend the meeting Sunday of the field managers group in which a great deal of interest is evidenced.

E. W. Thompson, head of the Maccabees, Detroit, is president of the presidents section, the secretary being Walter C. Below, president Fidelity Life Association, member N. F. C. executive committee. The other groups and their officers are:

Law—President, L. A. Knight, general counsel Royal Neighbors; secretary, Richard F. Allen, Standard Life, Topeka, Kan.

Secretaries section—President, Miss Erna M. Barthel, Royal Neighbors, Rock Island, Ill.; secretary, Anna E. Phelan, secretary Women's Catholic Order of Foresters, Chicago.

Medical section—President, Dr. Charles N. Ahlefeld, medical director Security Benefit; secretary, Dr. Tracy H. Clark, Chicago, medical director National Union Assurance.

Press—President, Mrs. Jeanie Willard, Denison, Tex.; secretary, Mrs. Mary Baird, editor Woman's Benefit, Port Huron Mich.

State Congresses section—President, George W. Baumann, Maccabees; secretary, H. Bruce Meixel, Ben Hur Life, Philadelphia.

Actuarial—President, Walter M. Curtis, actuary Ben Hur Life; secretary,

Eugene H. Pakes, actuary Woodmen Circle, Omaha.

The Fraternal Field Managers Association is headed by Arthur R. Colvin, field director Fidelity Life, and the secretary is Fred A. Johnson, Royal League, Chicago.

Educational Projects

There are two educational projects among N. F. C. members. One is the plan to place textbooks on fraternal insurance in libraries and to induce colleges to open courses in the subject. This is being handled by a special committee headed by A. O. Benz, Aid Association for Lutherans. The other is the Field Managers' proposal, which now is well developed to establish an "F. I. C." (Fraternal Insurance Council) designation. The association at a meeting last week in Chicago perfected plans making arrangements for having special "F. I. C." emblems prepared to be worn by holders of the designation. Lists of examination questions also were considered.

It is proposed that to be eligible to take the examination a fraternalist must have paid for at least \$100,000 in a calendar year and been at least one year in this work. The Fraternal Field Managers Association is sponsoring this project and doing all the work.

The basic course of study is represented in three volumes published some time ago. It was reported plans are under way to hold the first examination within a few weeks and before the N. F. C. meets at Toronto, so concrete results may be reported at the annual meeting.

Another project is being handled by the Illinois Fraternal Congress, this calling for a special educational effort in Illinois. Fred A. Johnson, Royal League, Chicago, is active in both these projects.

National Union Is Holding Biennial Senate Meeting

The 41st senate meeting of the National Union Assurance was held in Toledo, O., for four days this week. Among officials attending from the head office were Henry C. Smale, Chicago, president; Harry S. Anderson, San Francisco, vice-president; E. A. Meyers, Chicago, secretary-treasurer; Dr. Tracy H. Clark, Chicago, medical director; C. F. Wescoat, St. Louis, past president and general counsel; Frank P. Brodie, Chicago, member finance committee, and Frank W. Webster and R. E. Pendarvis, Chicago, trustees. This is a biennial meeting. There will be no election, that occurring every four years.

Some 43 accredited delegates representing ten states are attending, and also many field representatives, including Hans Jensen, Chicago, Illinois manager.

Cannon Back from Europe

Thomas H. Cannon, head of the Catholic Order of Foresters, Chicago, has returned from Europe where as a delegate he attended the International Eucharistic Congress at Budapest. Mr. Cannon visited a number of countries, failing to find any evidences of impending war, he said.

Maccabees Call Off Meeting

The convention trip to Mackinac Island planned by the Maccabees for leading field representatives has been called off. The field men were notified

that a boat to have been used for the trip to the island will not operate at that time. The men instead will receive a sum of money equivalent to that which would have been expended on them during the trip and may take their vacation trips where they desire.

Celebrating 70th Year

The A.O.U.W. of North Dakota, which is headed by Bradley C. Marks, is holding its 70th anniversary celebration this year. It dates back to Oct. 27, 1868, when John Jordan Upchurch and several friends met at Meadville, Pa., and organized the society.

Convention Audit of C. O. O. F.

The Catholic Order of Foresters, Chicago, is undergoing triennial convention examination by the Illinois, Minnesota and Ohio departments.

De E. Bradshaw Suffers Attack

OMAHA—De E. Bradshaw, president Woodmen of the World, is reported improving rapidly after ten days of rest at his home here following a gall bladder attack.

Joins Equitable Reserve

M. L. Ridgeway, formerly of Cedar Rapids, Ia., has been elected assistant secretary Equitable Reserve, Neenah, Wis., associated with G. A. Comstock, secretary. Mr. Ridgeway will also take over the duties of actuary following removal of E. H. Nicholson to New York. He has had 17 years' experience in secretarial and actuarial departments of a Cedar Rapids life company.

Slavic Society Celebrates

Members of Lodge No. 1, South Slavic Benevolent Union Sloga, Milwaukee, were host to lodges from Sheboygan, West Allis, West Milwaukee, Tippecanoe, Port Washington, Wis.,

Julian in Warning on Non-Licensed Carriers

Mail order assessment schemes, high pressure brokers operating through the mails and so-called Lloyds associations are "the menaces to the legitimate business of insurance," declared Superintendent Julian of Alabama, president National Association of Insurance Commissioners, in addressing the Montgomery Rotary Club. He added that when a citizen "falls for these unauthorized schemes, it is just too bad for the citizen."

Commissioner Julian said insurance contracts with an unlicensed company are made null and void by the laws of Alabama; that any adjuster who directly or indirectly adjusts a loss for an unauthorized company is subject to fine of \$750; that a citizen of Alabama who buys insurance from an unlicensed company is subject to payment of tax of from 4 to 8 percent of the premium, and that Alabama citizens can not sue an unlicensed company in the courts of the state.

and Calumet, Mich., at a 30th anniversary celebration in Milwaukee. Judge J. C. Karel, past president National Congress and president Equitable Reserve; city and country officials, Victor Petek, president of the Slavic fraternal, and John Emenc, Sr., president of Lodge No. 1, spoke.

General Agent's License Suspend

License of George Ripley, general agent of the Pacific National Life in San Francisco, was suspended by Commissioner Carpenter, following numerous hearings, on the ground of misrepresentation to an insured in an effort to induce him to drop a policy and take another policy in the Pacific National Life.

1902

1938

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Our Own Home Office Building

A Legal Reserve Fraternal Life Insurance Association for Men, Women, and Children, with \$182,345,071.00 Insurance in Force, and Total Assets over \$26,132,834.63

Thirty-five Years of Fraternal Service and Achievement

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SOME

PERTINENT

FACTS ABOUT

Supreme Forest

WOODMEN CIRCLE

● Total Membership 133,030

Total Protection \$107,781,336

Written in 1937 13,041,835

Benefits Paid in
1937 1,643,312

Benefits Paid
since Organization in 1895 38,799,018

Dora Alexander Talley, President
Mamie E. Long, Secretary
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THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller
Supreme President

Frances D. Partridge
Supreme Secretary

Port Huron, Michigan

Men make money in their own business and then lose it in the other fellow's

Money invested in Life Insurance is worth just what it is represented to be when the Insurance was bought.

Those who put money into Life Insurance find it a great resource in days of trouble.

Life Insurance used to be called

"Die Insurance." You had to die to get the money.

Today men and women buy—"Living Insurance."

With its Legal Reserve Policies, completely modernized, for Men, Women and Children, this organization is well equipped to offer a complete Life Insurance program.

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(Forty Years of Proven Service)

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General Shift in Options Probable by Jan. 1, 1939

(CONTINUED FROM PAGE 1)

ginning of this year. These included a 5 percent interest rate on policy loans and a 2 percent guaranteed rate on funds held under optional modes of settlement. Thus the New York Life has a margin of 1 percent on policies issued Jan. 1, 1938, as compared with the 3 percent interest guaranty on its older policies and on those currently issued by other companies.

There are two general approaches to the problem of cutting down long term liability under settlement option contracts. First, there is the proposal, followed to an extent by the New York Life, to cut the guaranteed interest rate to a lower figure or even perhaps to eliminate any guarantee whatever.

Those who advocate complete elimination of the guaranteed interest rate point out that competition and general regard for policyholders' interests is certain to keep the companies doing the best they can for beneficiaries who are receiving income under the settlement options. They also point out that a guarantee means nothing at all unless there is a certainty of having the funds to meet it and no one can say accurately what interest will be earned 50 years or perhaps more from today, or even that any interest will be earned.

Might Shorten Time Span

The other approach is to limit the length of time over which payments are to be made, such as by reserving the right of control to the company. Beneficiaries, for example, could be permitted to elect options only with the consent of the company. This consent would not be given or withheld on an individual basis but would represent a general attitude toward all beneficiaries and would be governed by conditions prevailing at the time the request was made.

The Travelers has followed the plan of making supplemental agreements subject to the company's consent, not only as to beneficiaries but to the policyholder himself. Thus the company not only knows its present liability in connection with optional modes of settlement, but it also keeps in close touch with any increase in that liability and is in a position to exercise the necessary control if requests become too numerous or complicated. The Travelers, while having no options written into its policies, achieves the same effect by writing separate endorsements and gives its consent as a matter of routine to the usual settlement option arrangements.

N. Y. Life Probable Model

The best guess appears to be that the companies in getting out their new policy forms will follow the New York Life pattern pretty closely in the matter of settlement options. As previously mentioned, no one can foresee what interest rates will do in the next 100 years, yet even with present low interest rates 2 percent looks practically as conservative as no guarantee at all. Unless there were quite a general sentiment in favor of abandoning interest rate guarantees entirely, competitive considerations would be quite a barrier to complete abandonment of the guarantee by individual companies.

Another angle which far-seeing home office men are taking into account in connection with settlement options is their social implications. They feel that the companies should frame their general policy toward settlement options so that funds fulfill their legitimate purpose of conserving estates for the benefit of dependent beneficiaries without going beyond this role and becoming to any great extent a source of maintenance for wealthy idlers for whom the magazine "Time" has coined the word "incompoops."

With government taking increasing interest in the social purposes of wealth,

there is likelihood that a multi-billion dollar fund, such as settlement options may logically be expected to grow to, will come in for some very close scrutiny. When that time arrives, it will obviously be much better for the vast majority of truly dependent widows and orphans who are supported wholly or partly by installment payments from life companies if recipients who have no socially justifiable reason for living on an ancestor's accumulated wealth are in the smallest possible minority.

Some feel that companies should not only scrutinize the purpose but also keep the amounts payable under settlement options in line with the purposes to be served unless they want to run into political difficulties or the accusation of being in the banking business.

Wholesale, Retail Trades Increase in Buying Policies

(CONTINUED FROM PAGE 1)

of \$5,000 or greater. New insurance buyers totaled 5,423, or 61 percent of the total number surveyed, excluding 1,148 children under 18 years of age. There were only 803, or 9 percent, having other insurance in the company to which application was made, and 2,626, or 30 percent, having insurance in other companies.

The percentage having no other life insurance has dropped from 67 percent, or 16 points, in the year, as compared with the June, 1937, survey. There were then, however, 442 children under 7 years deducted in calculating the ratio. However, it is an increase of two points over the December, 1937, survey which showed 59 percent. The average amount of insurance already owned was \$4,435, compared to \$4,040 in the December survey and \$3,711 in the June, 1937, study.

With 2,118 applicants for an average amount of \$1,357, non-gainful classifications led numerically in the survey. Average amount of insurance already owned in this group was \$1,835. Wholesale and retail trade was next, with 1,574 for an average policy of \$2,613, and \$4,722 already owned. Next was agriculture, with 1,326 for average policy of \$1,548 and average policy already owned of \$2,266. In fourth place were manufacturing and mechanical industries with 1,139 for \$2,758 applied for and \$5,230 already owned.

Wholesale Drygoods Active

General merchandising seemed to be especially prosperous, with 682 applying for an average policy of \$3,337, and the average owned being \$6,159. In this classification the largest average amount applied for was by jobbers and manufacturers' agents, owners and executives of wholesale drygoods businesses. Their average was \$8,174 applied for and \$15,129 owned.

In larger size policies, some of the better classifications of life insurance buyers in the month were: theater and studio executives and owners, \$8,579 applied for, 14,438 owned; wholesale drygoods, jobbers and manufacturers' agents, executives and owners, \$8,174 and \$15,129, respectively; investment brokers and salesmen, \$7,232 and \$7,083; physicians and surgeons, \$6,689 and \$22,697; variety stores, \$6,194 and \$12,912; shoe and leather goods—sales and repair, \$6,184 and \$11,977; printing and paper-executives and owners, \$6,162 and \$9,484; oil production and refining—engineers, executives and owners, \$6,037 and \$6,675; textiles and leather products—executives and owners, \$5,935 and \$10,947; automobile sales agencies—owners and managers, \$5,929 and \$12,273; dentists, \$5,359 and \$18,462; professional entertainers, \$5,250 and \$4,750; miscellaneous food manufacturing and canning, \$5,235 and \$4,143, and building contractors and superintendents, \$5,224 and \$5,671.

Waiver of Premium Case Demonstrates Magic of Insurance

KANSAS CITY—Reminiscing a bit, Sam C. Pearson, general agent, who recently celebrated his 32nd anniversary with the Northwestern Mutual, recalled a \$5,000 policy as the most effective illustration, in his own experience, of the magic of life insurance.

The 20-year endowment was purchased by a young engineer. He was a bachelor and lived with his mother. During the war the engineer joined a large industrial engineering firm in the east. Overwork brought on a general breakdown, and while the company extended him several leaves of absence, when he returned to work again it was only to suffer another breakdown.

Had Paid 10 Premiums

He had paid ten annual premiums on the policy when the waiver of premium became effective. The Northwestern Mutual then took over payment of the \$250 a year plus dividends of \$80 to \$90 a year. The latter helped the mother support herself and the invalid son.

They moved back to Missouri. The son became incompetent, and the company found it would have to pay the dividends to a guardian in order to avoid a possible suit later by heirs. But the thought that her son had to be brought into court and publicly declared incompetent was too much for the proud mother. Mr. Pearson arranged with the probate judge to hold a star chamber session; the order appointing the mother guardian was published in a local paper in a far part of the country, and Mr. Pearson sent a supervisor to take mother and son to the county seat and return them home.

Forced to Borrow

The mother had finally to call on the loan value of the policy because the small savings with which she had been augmenting the dividends had become exhausted. She made small loans on the policy for several years.

When the son died, \$2,500 remained of the original \$5,000. The dividends had formed a substantial part of living expenses during the son's long illness. Today the mother is still living on the final proceeds of the policy.

Finds No Aviation "Participation"

In Swasey vs. Massachusetts Protective Association, the United States circuit court of appeals for the 9th circuit (Arizona) construed the "participation in aviation" clause against the insurer.

The insured and three others were killed in a plane crash while returning from Douglas to Phoenix, Ariz. Odneal was the owner of the plane and had a license for commercial passenger carriage except at night. None of the others knew anything about flying. They went from Phoenix to Douglas in connection with a chamber of commerce activity. Odneal agreed to transport the three others who were to pay for the gas and oil. The court held that this constituted a contract for carrying the assured as a passenger for hire and was none the less so because Odneal violated his license and flew with the deceased at night.

There is no evidence that any of the passengers had anything to do with the operation of the plane or the choice of route. There was no such "participation in aviation" as to come within the exception to coverage, according to the court.

Arising out of the same accident was the case of Marks vs. Mutual Life of New York. The appellate court gave judgment for the beneficiary for double indemnity.

The 1938 Unique Manual-Digest covers all life insurance statistics. \$5. National Underwriter.

Sales Ideas and Suggestions

Jamison Gives Suggestions About Prospecting

John Jamison of the Life Insurance Sales Research Bureau of Hartford spoke before the Franklin Life convention in Chicago saying that many people are expecting to buy life insurance but not today. Therefore, the big problem with the salesmen is to convince a prospect that today is the time to do the buying. He said that prospecting constitutes 69 percent of the life agent's job. One of the most prolific sources of prospects comes from getting news about people. There is all sorts of interesting information going the rounds about this person and that, which is fine grist for the life salesman.

Life In State of Flux

Life, he said, is always in a state of flux. There are changes going on with this individual and that and hence it should be the province of the agent to keep in touch with people so that he can take advantage of any favorable change. He said that life men should cultivate the habit of asking leading questions in a diplomatic way that will bring out favorable prospects. For instance, he advocated getting a list of most promising young men, asking distinguished men in various lines as to whom they regarded as the coming young men in their particular activity. This opens the way and is quite flattering to these young men so selected. He said that salesmen constitute good prospects. They are always on the firing line and are not solicited so much as office people.

He advocated calling up an enterprise after the noon hour and asking the telephone girl who is the leading salesman in the organization. Then he finds out from friends who can supply him with information about the prospect.

Gossip of the Trade

If an agent can find someone in a particular industry or line of activity who knows the gossip of the trade he can get much information from him. For instance, he desires to approach a man and he finds three men of his acquaintance. He goes to this man and by asking some leading questions finds out very valuable information about them.

A life insurance salesman, he said, should always be an expert visitor. Most people like to talk. When people are encouraged to

converse, they are very likely to furnish some excellent information regarding prospects. In these visits no mention should be made of any proposed contact with a prospect.

Suppose, said Mr. Jamison, that an agent approaches a man and says, "I see that there have been quite a number of changes in your particular line of work. Have there been many men advanced? What have been the main shifts during the last few weeks?"

Wives Get Gossip

In this way Mr. Jamison said an agent gets very pertinent and useful information. Wives are always supremely excellent gossipers, he said, and if they are wise they are able to obtain much information that they can give their husbands which will be useful in prospecting. "Go places where you hear a lot of things about people," Mr. Jamison said. "Keep in touch with people who know what is going on and who can tell you much about prominent folks. Use your imagination and intelligence in getting information."

He said that after all the biggest problem confronting everyone is "I." Therefore it is up to the life man to adjust himself to his work and put himself in the most favorable attitude toward it. He said there is much rubbish and garbage in the minds of salesmen. That translates itself into action. Therefore he suggested the elimination of this trash and getting constructive thought started.

Mr. Jamison referred to the former position that he had in an advertising agency. He lost it and said that he went out to find a job that would not fall out from under him in later years. That was the reason he went into life insurance. He believes in reading some inspirational literature every day.

Wary About Specific Programs

Life agents who are using the tax approach are wary about becoming too specific in arranging the prospect's program. The tax situation is so uncertain

that changes and interpretations make it difficult to build up an air tight program. If a well thought out tax program is set up at this time it is entirely possible that the authorities in Washington may make some specific ruling within a few months which will upset the entire program, according to one agent who specializes in tax cases. Many of the tax specialists are agreed that the best thing to do now is to sell a prospect sufficient life insurance so that he will have enough to take care of the tax situation, and when things get more settled to arrange his specific tax provisions accordingly.

Check on These Prospecting Points for Improving Sales

To see if you are giving prospecting the proper amount of effective planning and application, ask yourself the following questions:

1. Do you have at all times more qualified names than you can possibly see?
2. Are you continually adding more names each day and week than you are disposing of?
3. Does your prospecting take a definite part of your planned day, and do you have a quota of new names to add each month?
4. Do you purposely prospect among people whom you know to have a definite margin between income and outgo?
5. Have you mastered a definite prospecting sales talk, as diligently as your regular sales talk?
6. Do you attempt to call on a certain quota of new people each month? All records show that constant production depends on this.

If your answer is "no" to any or all of these questions, you are not using the proper prospecting technique. And if it is true that most successful underwriters give from 70 to 90 percent of the credit for their success to an ability to "prospect," should you not be willing to spend more time in mastering and following through on a definite prospecting technique, than on any other phase of life insurance selling?—Mass Motion.

Life insurance is the only way for the average man to create an estate.—D. E. Wilkes, Charleston.

SALES IDEAS OF THE WEEK

Plan Jars Prospect Out of Leaving Lump Sum

Getting a prospect to think of his insurance in terms of income rather than face amount has long been recognized as one of the best ways of showing him that he needs more coverage. Frequently, however, a prospect will insist that he has no need of putting his insurance under settlement options or a trust agreement, contending that his wife would be perfectly capable of investing the proceeds wisely.

The Home Life of New York has worked out a sales point which effectively jars the prospect into a realization of what he is actually doing when he continues a setup under which his widow would receive life insurance proceeds in cash and have the problem of reinvesting. The agent points out to the prospect that when the life company pays a death claim in cash it is in effect liquidating the investments behind that policy, which are government bonds and other high grade securities. Then the widow must take the money so obtained and go through the process of reinvesting it. Why not, the agent asks, leave the proceeds invested with the company and not go through the process of liquidating them and reinvesting them?

How to Answer a "Pestered" Prospect for Insurance

When a prospect says, "Do you know you are the sixth life insurance man in here this week?" one agent we know of has this reply: "Mr. Prospect, you must be prosperous and you must be in good health. Life insurance men are pretty keen, you know. They know the men who need and who can buy life insurance. Really, the time for you to worry is when life insurance men begin to pass your door—because then you may not be able to buy it."—Acacia Mutual.

SALES SHORTS

(From Acacia News)

"Business is bad." That's what they say. "Well, that's when you need insurance. When business is good, if something should happen to you, the business would take care of your family. But when business is not so good, that's when life insurance is needed."—Max L. Alpert, Boston.

Mr. Prospect, I suggest this monthly income for your wife so that when the necessity arises she may live with the children, not on them. There is a difference, you know.—R. B. Barksdale, St. Louis.

The premium deposit is not the cost of life insurance—it rather represents the cost of providing for your family and your own retirement.—L. Z. Braun, Philadelphia.

When the prospect says, "See me later," I say, "If you are not here, whom shall I see?"—Dan S. Harris, Dallas.

There are only two forms of income "men at work and dollars at work. A widow must have income—so must an old man."—F. W. Amtsberg, Cleveland.

Prospects for the Present

The New York Life in its house organ gives some suggestions as to the best prospects at the present time, as follows:

- 1.—Employees of the federal government, of the state and local subdivisions.
- 2.—Secretaries and staffs of trade, commercial, fraternal, religious and charitable organizations.
- 3.—Faculties, clerical employees and staffs of local colleges and universities.
- 4.—Executives and employees of finance, loan and investment companies.
- 5.—Executives and employees of all lines of insurance.
- 6.—Technicians and laboratory research staffs for large corporations.

7.—Businesses employing young men in executive positions, such as radio stations, theatres, newspapers, chain stores, hotels, purchasing and finance companies.

8.—Professional entertainers: Artists, musicians, ball players, radio entertainers, program directors, authors, and idea men.

9.—Employed women: In one city of 600,000 it was found that there were

3,400 teachers with an average monthly salary of \$150; 800 registered nurses with an average income of \$125 a month, and 700 women who were part owners of businesses with an average monthly income of more than \$200.

10.—Those giving evidences of increased income—joining clubs, buying new homes or cars, taking extended vacations, sending children to costly schools.

11.—New industries that are prospering. Do you know an advertising-space salesman on a local newspaper? He can tell you of new industries.

12.—Junior executives in large organizations.

13.—Professional people: Accountants, tax men, physicians, advertising account executives, nurses, management engineers.

14.—Staff officers in department stores, such as superintendents, buyers, personnel managers, designers, artists, advertising department heads, etc.

15.—Sales and service branch organizations distributing home, industrial and office equipment.

Every Man Goes Through Two Nursing Periods

A clever approach is being used by E. H. Dooling, assistant ordinary manager of the Prudential in Chicago. He draws a line across a sheet of paper, indicating the prospect's span of life.

"Every man goes through two nursing periods," he says, jotting down 22 at the left side and 60 at the right with the word "nursing" on the outside of each of them such as this:

Nursing 22 ————— 60 Nursing

"During the first period he is taken care of by his parents (he writes in 'parents' above 'nursing') and during the second period he is taken care of by RFC" (he puts these letters above the 'nursing' on the right side).

"What does the RFC stand for?", asks the prospect.

Then Mr. Dooling writes in "relatives," "friends" and "charity."

The prospect is then all set to listen to a retirement income approach.

Top Producers for 1937 in Life Companies

The leaders in personal production, the agencies with the largest volume and the leading states in 1937, included:

PACIFIC MUTUAL LIFE

PRODUCERS: (1) J. E. Capps, Norfolk, Va.; (2) R. E. Denman, Cincinnati; (3) A. L. Geller, Houston; (4) Erick Gebben, Lake Charles, La.; (5) L. C. Haas, Cleveland; (6) Dr. J. B. Wachtel, Oklahoma City, Okla.; (7) R. A. Schroder, Los Angeles; (8) O. H. Whitten, Farmville, Va.; (9) N. A. Herberts, Detroit; (10) R. J. Moraff, Paterson, N. J.

COLUMBIAN NATIONAL LIFE

PRODUCERS: (1) L. J. Rosenberg, South Bend, Ind.; AGENCIES: (1) H. A. Shearer, Boston; (2) Midtown, New York; (3) Harmelin, New York; (4) Beardslee, New York; (5) E. E. Lamb, Chicago.

COUNTRY LIFE, ILL.

PRODUCERS: (1) Ray Barr, Ottawa, Ill., \$419,500; (2) Anne Miller, Joliet, \$353,500; (3) William Linker, Morrison, \$316,000; (4) Hugh Hastings, Henry, \$245,000; (5) D. J. Auble, Wheaton, \$237,000; (6) Bertram Abney, Grays Lake, \$235,750; (7) Duane Genre, Eureka, \$214,500; (8) E. A. Carnecross, Arlington Heights, \$211,500; (9) A. N. Skinner, Galesburg, \$209,000; (10) Roy Pick, Edwardsville, \$206,250. AGENCIES: (1) Ray Barr, Ottawa, Ill., \$984,500; (2) Ben Roth, Bloomington, \$913,500; (3) G. O. Chenoweth, Pontiac, \$638,500; (4) D. P. Robinson, Cambridge, \$637,500; (5) Merritt Ackland, Champaign, \$525,500; (6) Anne Miller, Joliet, \$478,000; (7) Duane Genre, Eureka, \$474,500; (8) William Linker, Morrison, \$458,000; (9) A. N. Skinner, Galesburg, \$440,500; (10) H. W. Bradshaw, Watseka, \$425,000.

GREAT AMERICAN LIFE

PRODUCERS: (1) M. D. Dugger, Jr., Houston, \$220,000; (2) H. L. Bridgman, San Antonio, \$215,500; (3) W. R. Sasse, Victoria, Tex., \$213,500; (4) P. J. Browns, San Angelo, Tex., \$190,500; (5) Benton Starnes, Sweetwater, Tex., \$184,333; (6) K. L. Riggs, Lubbock, Tex., \$168,500; (7) V. D. Wright, Brownsville, Tex., \$135,000; (8) H. E. del Castillo, Houston, \$128,000; (9) Joe E. Pond, Big Spring, Tex., \$94,500; (10) Mrs. L. O. Sallee, Troup, Tex., and B. S. Murgess, Corpus Christi, (tied), \$91,500. AGENCIES: (1)

Houston, (2) San Antonio, (3) Victoria, (4) Sweetwater, (5) Lubbock, (6) San Angelo, (7) Brownsville, (8) Denver, Colo., (9) Portland, Ore., (10) Dallas. STATES: (1) Tex., (2) Colo., (3) Ore.

GREAT NORTHERN LIFE

PRODUCERS: (1) S. R. Stahl, Massillon, Ohio; (2) E. H. Neumann, Detroit; (3) A. C. Brown, Minneapolis. AGENCIES: (1) A. R. Smith, Cleveland; (2) R. J. Long, Detroit; (3) A. C. Brown, Minneapolis; (4) R. B. Smith, Oklahoma City, Okla.; (5) B. M. Stahl, Madison, Wis.; (6) J. P. O'Hara, Eau Claire, Wis.; (7) A. H. Tetting, Milwaukee; (8) Wausau, Wis., agency; (9) F. X. Basche, Green Bay, Wis. STATES: (1) Wis., (2) Ohio, (3) Mich., (4) Minn., (5) Ill., (6) Okla.

MIDLAND MUTUAL LIFE

PRODUCERS: (1) W. E. Whipple, Columbus; (2) S. B. Garwood, Columbus; (3) H. J. Plack, Peoria, Ill.; (4) G. A. Bowen, Indianapolis; (5) H. D. P. Thomas, Dover, Ohio; (6) P. R. Marshall, Lima, Ohio; (7) J. R. Campbell, Parkersburg, W. Va.; (8) H. D. Monroe, Terre Haute, Ind.; (9) A. D. St. Clair, Columbus; (10) Ralph W. Mowrer, Akron. AGENCIES: (1) Tice & Jeffers, Columbus; (2) Mayfield & Bowen, Indianapolis; (3) C. E. Schaad, Marion, Ohio; (4) C. W. Stillson, Youngstown, Ohio; (5) E. O. Mowrer, Akron; (6) Walter C. Hart, Cleveland; (7) Hanford Bergman, Toledo; (8) Harold J. Plack, Peoria, Ill.; (9) A. G. Gabriel, Detroit; (10) A. G. Gilmour, Pittsburgh.

PACIFIC MUTUAL LIFE

PRODUCERS: (1) J. E. Capps, Norfolk, \$846,590; (2) R. E. Denman, Cincinnati, \$635,940; (3) A. L. Geller, Houston, \$608,219; (4) Erick Gebben, Lake Charles, La., \$598,790; (5) L. C. Haas, Cleveland, \$505,300; (6) Dr. J. B. Wachtel, Oklahoma City, Okla., \$488,470; (7) O. H. Whitten, Farmville, Va., \$406,680; (8) N. A. Herberts, Detroit, \$399,580; (9) R. A. Schroder, San Gabriel, Cal., \$390,680; (10) C. P. Hochstadter, Cincinnati, \$358,340. AGENCIES: (1) J. E. Garland, Farmville, Va., \$4,023,550; (2) J. M. Gantz, Columbus and Cincinnati, Ohio, \$3,426,930; (3) J. H. Russell, Los Angeles, Cal., \$2,841,860; (4) F. B. Schwentker, Phoenix, Ariz., and El Paso, Tex., \$2,381,560; (5) E. E. Henderson, Chicago, \$2,347,040; (6) Paschall-Gist Co., Los Angeles, \$2,121,560; (7) E. L. Jenks, Atlanta, Ga., \$1,854,470; (8) Fabling & Fabling, Denver, \$1,795,340; (9) R. B. Coffman, Cleveland, \$1,693,950; (10) C. C. Day, Oklahoma City, Okla., \$1,664,400. STATES: (1) Cal., \$6,238,398; (2) Ohio, \$2,904,625; (3) Texas, \$2,179,360; (4) Ill., \$2,035,235; (5) Va., \$1,868,935; (6) Penn., \$1,191,157; (7) Okla., \$1,100,443; (8) Ga., \$1,097,124; (9) Mich., \$895,921; (10) Colo., \$806,502.

KNIGHTS LIFE, PA.

PRODUCERS: (1) J. Taylor, Pittsburgh No. 1; (2) E. Lantz, Altoona; (3) V. Willitt, Pittsburgh No. 2; (4) C. Sokol, Scranton; (5) R. Vargo, McKeesport; (6) A. Brandt, Harrisburg; (7) Y. Rosenberger, Pittsburgh No. 1; (8) B. McDermott, Pittsburgh No. 1; (9) N. Hucklestein, Pittsburgh No. 3; (10) J. Freker, Pittsburgh No. 2. AGENCIES: (1) T. G. Stinner, Pittsburgh No. 1; (2) Michael Pfeffer, Pittsburgh No. 2; (3) J. E. Blickenstaff, Johnstown; (4) E. M. McConnell, Altoona; (5) G. A. Hahner, McKeesport; (6) J. A. Bischof, Allentown; (7) A. F. Gatz, Pittsburgh No. 3; (8) V. S. Jacoby, Scranton; (9) W. C. Allen, Uniontown; (10) M. J. Haney, Mt. Carmel.

EQUITABLE SOCIETY

PRODUCERS:—(1) R. W. Jones, New York; (2) Louis Behr, Chicago; (3) John Morrell, Chicago; (4) Isidor Artiss, New York; (5) H. T. Wright, Chicago; (6) Harry Steiner, Chicago; (7) Isidor Hirschfeld, New York; (8) R. E. Hanley, Chicago; (9) D. A. Freedman, New York; (10) L. H. Bunting, New York; (11) Max Reibelsen, New York; (12) Courtenay Barber, Jr., Chicago; (13) J. H. Machette, New York; (14) Stuart MacCallum, New York; (15) L. A. Spencer, Pittsburgh; (16) J. M. Pfeil; (17) M. Lee Alberts, Chicago. AGENCIES: (1) E. A. Woods Co., Pittsburgh; (2) R. M. Ryan, Detroit; (3) M. H. Casey, Northern California; (4) A. M. Embury, Kansas City; (5) S. Lustgarten, Chicago; (6) Kellogg Van Winkle,

Los Angeles; (7) M. C. Nelson, Des Moines; (8) W. V. Woody, Chicago; (9) H. L. Rogers, Indianapolis; (10) T. M. Riehle, New York City. *Exceeding million dollar quotas.

MONUMENTAL LIFE

PRODUCERS: (Ordinary)—(1) F. Cristiano, Cleveland No. 1, \$114,000; (2) A. Di Nallo, Cleveland No. 1, \$78,750; (3) W. Sofka, Gary, \$64,500; (4) U. Delle Fave, Youngstown, \$62,500; (5) A. Constant, Detroit No. 3, \$57,250; (6) B. Lane, Cleveland No. 1, \$54,000; (7) C. Marino, Philadelphia No. 1, \$54,000; (8) E. MacDonald, Baltimore N. W., \$50,500; (9) F. McMahon, Cleveland No. 1, \$50,250; (10) C. Binger, Newark, \$44,000. AGENCIES: (In ordinary increase)—(1) R. Page, Cleveland No. 1, \$618,000; (2) C. Marino, Philadelphia No. 1, \$315,000; (3) C. Bowen, Baltimore N. W., \$307,000; (4) J. Miller, Highlandtown, Baltimore, \$251,000; (5) J. Hagerty, Detroit No. 3, \$248,000; (6) H. M. Stoku, Baltimore N. E., \$234,500; (7) O. F. Atkins, Chicago No. 3, \$227,500; (8) J. Harris, Pittsburgh No. 1, \$227,265; (9) R. Scible, Annapolis, \$219,000; (10) R. Smith, Baltimore Cent., \$214,000. STATES—(1) Ohio, \$19,055,806; (2) Md., \$16,479,713; (3) Penn., \$9,852,335; (4) Ill., \$8,407,334; (5) Mo., \$8,266,017; (6) Mich., \$7,228,596; (7) Ind., \$3,377,147; (8) La., \$1,698,751; (9) Ky., \$1,692,681; (10) D. C., \$1,333,826.

UNITED STATES LIFE

PRODUCERS: (1) D. H. Ruth, Elmira, N. Y., \$197,169; (2) B. Berry, New York, \$177,563; (3) S. Karnett, New York, \$151,390; (4) L. J. Wayne, New York, \$98,500; (5) M. Leff, Brooklyn, \$91,500; (6) J. Typond, Brooklyn, \$81,500; (7) R. Rhodebeck, Flushing, N. Y., \$77,500; (8) I. Ortenberg, New York, \$76,640; (9) E. Nelson, Brooklyn, N. Y., \$74,500; (10) H. May, New York, \$70,625. AGENCIES: (1) Dascil, New York, \$1,211,868; (2) A. I. U., New York, \$1,186,914; (3) Elizalde, Phil. Islands, \$808,405; (4) A. A. U., Shanghai, China, \$590,972; (5) Hogan, New York, \$548,726; (6) Chapman, New York, \$477,177; (7) Independence, New York, \$354,890; (8) Ruth, Elmira, N. Y., \$226,962; (9) Rhodes, Adams, N. Y., \$183,216; (10) Paramount, Brooklyn, N. Y., \$180,000. STATES: (1) N. Y., \$4,187,869; (2) Phil. Islands, \$813,983; (3) China, \$629,875; (4) N. J., \$599,616; (5) Penn., \$215,015; (6) Conn., \$116,827; (7) France, \$97,500; (8) Fla., \$78,000; (9) Ohio, \$71,852; (10) Ind., \$70,500.

*New business—issued and paid for—industrial and ordinary.

Questionnaire Is Sent to Industrial Companies in N. Y.

(CONTINUED FROM PAGE 4)

proper distribution of insurance in family? Explain effectiveness of your method. Is any attempt made to check on total industrial premium in family, covering all companies? Explain method.

"What is the average duration of an industrial policy issued by your company?"

"What amount of money did your company expend during the year 1937 which directly or indirectly was used

Average Age Problem in Group Contract Subsidies

Under ordinary circumstances the age of the employees of an organization averages about the same, over a period of years so that there is little need for readjustment in group insurance rates. Ordinarily new help which is employed for replacement is younger than the employees who are retired through old age, death or through securing better positions elsewhere. During the depression fewer people were making changes in business connections and those laid off were usually the younger, inexperienced employees, so that the age average increased in most companies.

This was especially true of the railroads. In some cases difficulties arose regarding the group rates. For example, if the group rate was 90 cents a \$1,000 and the employee paid 60 cents and the employer to pay 30 cents, and the rate was increased to \$1.50 because of the increase in average age the employer would have to absorb the difference, thus paying three times his former rate. The employer can't pass the increase on to the employee because the latter's contributions are limited to 60 cents on \$1,000 under the New York law. This situation has been corrected in most organizations, but the railroads are still facing the problem as well as small, specialized organizations where there is little turnover of employees.

for any legislative activities? In what way are the policyholders benefited by such expenditures?"

"Does the practice of nepotism exist in your company? How many officers or employees receiving an income of \$5,000 a year or more are related by birth or marriage to other officers, employees, or local or special counsel. Give a list, if any, showing the relationship."

The foregoing specimens should not be taken as representative of the questionnaire as a whole. They are quoted, not only with the idea of giving a cross-section of the queries, but also of indicating to what lengths the inquiry may go in attempting to effect changes in the present method of conducting industrial business. The committee of the New York department which has been cooperating with the legislative committee includes not only departmental experts but men well known in the social service field, such as Abraham Epstein, executive secretary of the American Association for Social Security, and Maurice Taylor, both of whom have criticized industrial insurance in their writings. Chairman R. Foster Piper of the legislative committee has asked that answers to the second section be returned within 30 days and the first section within 60 days. The first section involves considerably more digging out of figures.

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RECENT COURT DECISIONS

Finds Due Date Ambiguous

Beneficiary Is Awarded \$40,000 Instead of \$15,000—New, Reduced Policy Ineffective

By deciding that the due date of the policy was the day it was delivered and the first premium paid, rather than the day it was issued and dated, the federal district court for the eastern district of Missouri found that the original policy of \$40,000 was in effect at the time of the death of the assured, rather than a reduced policy for \$15,000, which had been issued by the insurer more than two weeks before the death of the assured, at the assured's request. The case was *Penn Mutual vs. Forcier, et al.*

The policy was issued and dated Feb. 20, 1929, and was delivered and the first premium was paid March 18, 1929. At the assured's request, on Sept. 16, 1929, the premiums were changed from semi-annual to quarterly.

On March 20, 1936, the assured and beneficiary requested that the policy be reduced from \$40,000 to \$15,000, the application being made upon a printed form. A new policy was issued bearing the same number as the old and in exactly the same form with the exception of the amount, the premiums and the date of the payment of premium. In the new policy the due date was stated to be on or before the 20th day of May, August, November and February. Forcier died April 5, 1936.

Although the due dates in the original policy are given as Aug. 20 and Feb. 20, the application stated if the premium is not paid at the time of making application, the contract shall not be in force until a policy shall be issued and delivered and the first premium actually paid during the lifetime and good health of the applicant. The facts disclose an ambiguity in the terms of the contract with reference to the effective date of the policy and the date when the premiums were due, the court stated. Hence the policy must be construed as becoming effective March 18 instead of Feb. 20. That being the case, the assured died within the grace period of 31 days and the beneficiary is entitled to the \$40,000.

The release executed by the assured is not a bar to recovery, because it was done through a mistake as to a mixed question of fact and law.

New Occupation; Recovery Cut

The change of occupation clause in the personal accident policy was held to be effective by the United States circuit court of appeals for the ninth (California) district, in *Funk vs. Aetna Life*.

The assured was drowned while fishing. His occupation was stated in the policy to be "tool checker, office and traveling duties," and he was classified as "preferred."

Aetna Life alleged that later the assured, without notice to the insurer, changed his occupation to that of an oil well pump man, which grades "medium" occupation, whereunder the maximum death benefit is \$2,000.

Last Day of Month Is Due Date

Where the policy in an assessment company provides for payment of quarterly premium during a certain month, the grace period runs from the last day of the month, the Texas supreme court has decided in *National Life Company vs. McKelvey, Jr., et al.* The insurer contended that the due date was the first day of the month. The assured died Aug. 14 with the July assessment unpaid. The court held that he died within the grace period. *National Life of Des Moines* is now on a legal reserve basis, but continues to handle its old assessment business.

"Wrecking and Disablement"

Recovered for Monoxide Death on Theory Car Was Disabled When Gas Entered Its Body

An unusually liberal construction (from the assured's standpoint) of the "wrecking or disablement clause" of an automobile accident policy has been given by the Illinois appellate court, first district, in *Coghlan, et al, vs. Federal Life*.

Victoria Coghlan died of carbon monoxide poisoning. She was discovered seated in the car in the garage, the doors of which were open. The doors and windows of the car were closed, but the engine was not running. Federal Life insists that Mrs. Coghlan was not "riding in or driving in" the car at the time of the occurrence. It is conceded that the engine had been running and there was evidence that the assured had either been riding in the car or intended to ride in it.

The construction Federal Life puts upon the policy and its definition of the word "riding" are entirely too narrow, according to the court. The ignition of the car was on and there is every indication that the motor had been running and that the running of the motor caused the formation of the gas which caused her death. It is in evidence that there was a "disablement" in the car's mechanism which caused the gas to enter the body of the car.

Employer Is Not Liable

Deducted from Employee's Salary for Group Cover But Employee Was Not Eligible

The Georgia supreme court has absolved of liability the Georgia Piggly Wiggly Company in a claim for damages because Piggly Wiggly made deductions from the salary of an employee, leading him to believe that he was covered under the group contract, whereas as a matter of fact, he was not eligible for such coverage. The case was *Minter vs. Georgia Piggly Wiggly Company*. The court stated that while there is authority for the proposition that where one undertakes to procure insurance for another and is guilty of fraud or negligence in his undertaking, he is liable for loss or damage to the limit of the amount of the agreed policy, such a rule would have no application where an employer, in deducting the amount of a premium from the employee's salary, merely stated to him that he would be or has been covered by a particular master group policy when, in fact, he had not at that time become eligible for such insurance and that the previously written policy did not and could not have been made to cover the employee where it did not appear that the employee, in relying upon such statement by the employer, failed to procure other like insurance, which otherwise he would and could have obtained.

Finds "Scales" Equally Balanced

If the "scales" equally balance between the theory of accidental death and non-accidental death, the verdict must be for the insurer, the Pennsylvania supreme court, eastern district, declared in giving judgment for the Travelers in *De Reeder et al. vs. Travelers*.

The assured disappeared from a ship on which she was a passenger. The cause of her disappearance is pure conjecture. The lower court charged the jury that the issue was not whether the assured died accidentally or committed suicide, but it was between accidental death and all other possible forms of

death, including heart disease or apoplexy while leaning over the rail.

The higher court held that the plaintiff's case fell because of failure of proof. There were no facts or circumstances from which the jury could infer legitimately to the exclusion of other inferences equally plausible that the assured's death resulted from an accident. There is fully as much reason to believe that the assured did not meet with an accidental death as that she did.

Wife Gets Proceeds Under Community Property Rules

Inasmuch as the premiums had been paid with community funds, the wife is entitled to the entire proceeds of the policy, despite the fact that the insured had changed the beneficiary, naming his mother and his private secretary. This was the decision of the Washington supreme court in *Occidental Life vs. Powers, et al.*

The beneficiary was changed without the knowledge or consent of the wife. There was more than an equal amount of other insurance, naming the wife as beneficiary.

A trial court held that the wife in her own right is entitled to all of the proceeds and the supreme court concurred in that opinion. In Washington, insurance or the proceeds of insurance are not mere expectancies or choses in action, but are property; and if the premiums are paid by the assets of the community, they constitute community property. In Washington the wife has a vested property right in the community property equal to that of her husband and in the income of the community, including salaries or wages of either husband or wife, or both.

A suggestion is made that the pauper statute might impose the duty on the son to support the mother which would be a community obligation which would legally justify the son in naming the mother as beneficiary in a policy belonging to the community. There is no force in that suggestion, according to the supreme court.

Delivers Policy to Assured in Hospital; Cover Valid

Even though the agent delivered the policy to the assured while the latter was in the hospital suffering from spinal meningitis, from which he subsequently died, the South Carolina supreme court has held that the insurer is liable. The case is *Able vs. Pilot Life*.

The court recalled that it has uniformly held that the delivery clause may be waived by the agent delivering the policy. The Pilot Life contended that when the ailment is serious it should be held that the agent cannot waive the condition. This condition is without support in the decisions, according to the supreme court. It is not material so far as the assured is concerned, whether the agent exercised his discretion wisely or unwisely, and the fact that the agent may be new and inexperienced may not soundly be offered by the company as an excuse for relieving it from the result of his act or of the mistakes made by him.

Construes "Loss of Hand" Clause

The "loss of hand" provision in an accident policy means that there must be a complete severance of the hand, according to the Oklahoma supreme court in *Great Northern Life vs. Tulsa Cotton Oil Company*. The term cannot be construed to mean loss of the use of the hand where the injury does not result in the complete physical loss of the member.

Holds Total Deafness Is Not Total Disability

The New York appellate division, first department, in *Fuchs vs. Metropolitan Life*, stated that it is not prepared to hold, as a matter of law, that total deafness is such disability as to entitle the insured to benefits under the total and permanent disability clause. On the record in the case, the court held that the assured has failed to establish that he is prevented from engaging in any occupation or from performing any work for compensation or profit. The assured has been the owner and proprietor of a butcher shop and there was testimony that after his deafness he was observed actively engaged in and about the store during the entire day. He was 56 years of age and in perfect physical and mental condition. Notwithstanding the handicap of deafness, according to the court, there is still available to him opportunities from which compensation or profit may be derived.

Husband's Estate Winner in Common Disaster Decision

The Kentucky court of appeals, in *Colovos, admnr., et al. vs. Gouvas et al.*, renders a decision regarding the disposition of proceeds of life policies where the assured, his wife and their two children were burned to death in their automobile.

No witness saw the car turn over or catch fire.

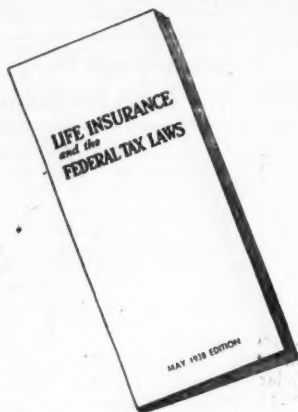
The supreme court cited the common law rule that, when two or more persons die in a common disaster, the presumption exists that they perished at the same moment, and if issue be raised on this point, there must be satisfactory proof to outweigh the presumption.

In three of the policies the right to change the beneficiary was reserved. The fourth policy was endorsed: "Right to change beneficiary not reserved." This was an endowment policy. The supreme court held that the lower court was correct in saying that although the insured did not reserve the right of change, yet the beneficiary did not take a vested interest, for it provided that it was payable to the insured if living Sept. 1, 1966, and that if the beneficiary died before the insured, the proceeds should be payable to his estate. By reason of this provision there was no indefeasible vesting of the proceeds of the policy. The beneficiary could waive the non-reserved right to change the beneficiary or could allow the insured to pledge or assign the policy. The vested interest of the beneficiary is not a pure indefeasible right or interest to the proceeds of the policy, that is, a right which may not be defeated upon the happening of contingencies. The supreme court said it concurs in the opinion of the lower court that the proceeds should remain in the hands of the administrator of the husband's estate.

Killed by Marshal; Can't Recover

The Nebraska supreme court, in *Bernhard vs. Prudential*, held an insurer is not liable for double indemnity benefits where the assured was shot and killed by a village marshal after having struck that officer. It appears, according to the court, that the insured not only commenced the assault, but provoked and invited violence and was advancing in a threatening manner upon an officer of the law at the time he was shot. He should have anticipated and expected the reasonable consequences of his act. The trial court erred in overruling Prudential's motion for a directed verdict.

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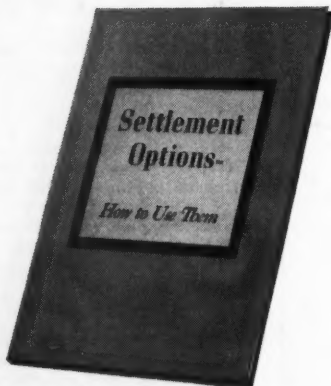
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